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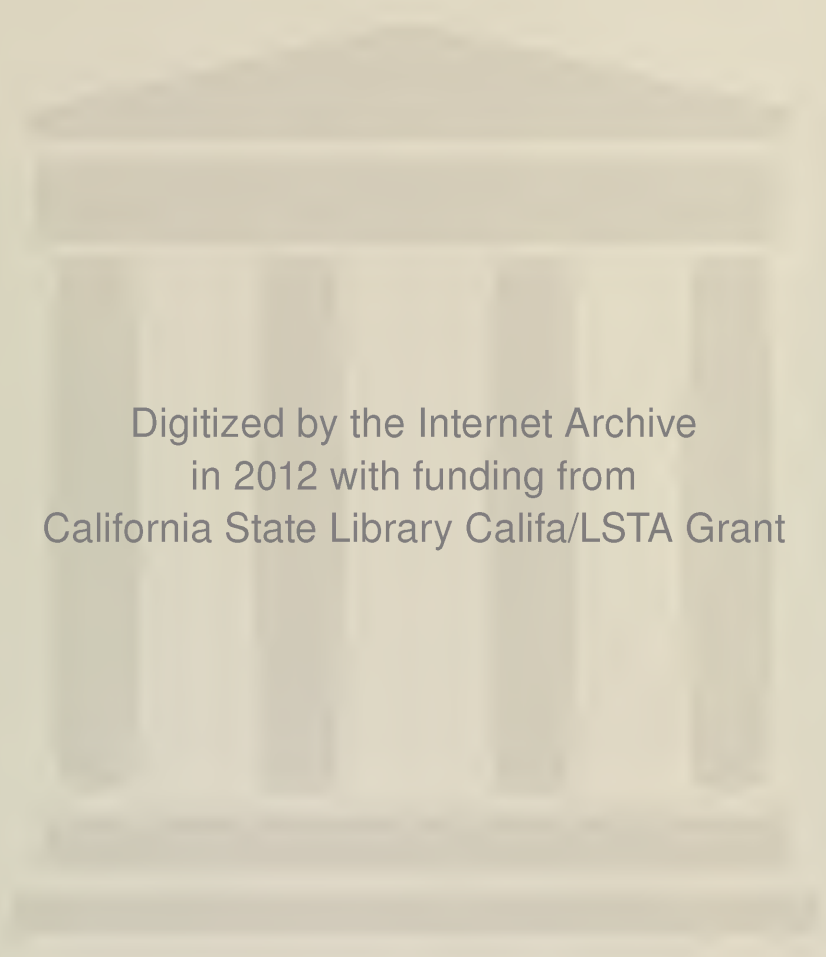
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF JANUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 7th day of January, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

None

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ray Jones, Urban Economic Development Corporation (UEDC); Ace Washington, WAPAC; Barbara Nadem; Dr. Rhody McCoy, Future Perfect, Inc.; Robert Spear, President, Western Addition Parking Corporation; Katherine Nash, WANA; Morris Phillips and Arnold Townsend, Fillmore Market Place Associates; Paula and Charles Collins, Fillmore Renaissance Associates; Reverend John Lane; Robert Reece; and Lefty Gordon, Ella Hill Hutch Community Center.

Representing the press was: Gerald Adams, San Francisco Examiner.

ELECTION OF OFFICERS

The Agency's By-laws indicate that there shall be an election of officers (President and Vice President) at the last Regular or Special Meeting in December. However, in the event such officers are not elected in December, their election shall be held at any meeting of the Agency, Regular or Special, held during the following months of January or February. Until an election is held, an interim President and Vice President may be elected to hold office until the regular election in January or February.

Commissioners King and Mardikian noted their preference to postpone the election of officers until Mayor-elect Jordan can have input into the leadership of the Commission which was the procedure followed four years ago at the time of a new administration. Mr. King noted

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that Mr. Mardikian's term has expired and there is another position to fill on the Commission.

President Bagot indicated he had spoken to Hadley Roff, Chief of Staff for the new administration, who gave his approval to proceed with the election of officers.

Mr. King noted that he had also been in contact with Mr. Roff who indicated that when he had spoken to Mr. Bagot, due to press of other business, he had said to go ahead on what appeared to be a procedural matter. However, if he had known the circumstances he would not have agreed and it is not the position of Mr. Roff or the Mayor-elect at this time.

Mr. Kitahata indicated that this is an internal Commission matter and he did not believe there is a need to wait, nor should this have been done four years ago.

Ms. Tsen noted her support of going ahead with the election of officers because this is a procedural matter, not political, and it will be some time before the new Mayor has time to focus on this internal matter.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, THAT THE ELECTION OF OFFICERS BE DEFERRED, AND ON ROLL CALL THE FOLLOWING VOTED "NAY":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Tsen

AND THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION FAILED.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, THAT MR. BAGOT BE ELECTED PRESIDENT, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Tsen

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AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, THAT MS. TSEN BE ELECTED VICE PRESIDENT, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Tsen

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

REPORT OF THE PRESIDENT

President Bagot indicated that Ms. Tsen had requested Agency meetings be held weekly with the goal of concluding all business by 7:00 p.m. No objection was raised by the Commissioners.

Mr. King noted that the meetings should be held on a weekly basis and there is no authority in the By-laws to change that procedure.

David Madway, Agency General Counsel, noted that the meetings were continued and the By-laws have not been violated.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of November 26, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of December 11, 1991, as distributed by mail to the Commissioners, be approved.

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It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the Regular Minutes of December 17, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of November 12, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of November 26, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of December 11, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of December 17, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It is requested that item 5 (a), authorizing an Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P., be continued.
- (b) Staff has been trying to contact Hadley Roff, Chief of Staff for the new administration, with regard to the proposal from the 24th Street Revitalization Committee but given the press of other matters he has not been able to address this issue. The community has requested the matter be delayed for two weeks for further discussions.
- (c) The Commissioners have been provided with a memorandum on the subject of Program Income Availability which it is suggested be discussed at the January 14 meeting.
- (d) Mr. Kitahata's confirmation for re-appointment to the Agency Commission was approved by the Board of Supervisors on January 6, 1992 by a vote of 10 to 1 and swearing-in ceremonies took place on January 7, 11:00 a.m. at the Mayor's Office.
- (e) Mayor-elect Jordan's swearing-in ceremonies will be held on January 8, 11:00 a.m., at Davies Symphony Hall.
- (f) The City Planning Commission will hold a public hearing on the Oriental Warehouse proposal on January 9.

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- (g) The Finance Committee of the Board of Supervisors will consider an amendment to the Moscone Project Lease and 1988 Revenue Bonds on January 10. Robert Gamble, Deputy Executive Director of Finance, will cover this item.
- (h) On January 20, the Martin Luther King, Jr. Civic Committee will award Gene Suttle, Senior Deputy Executive Director, this year's Public Service Award.
- (i) Mission Housing Development Corporation has repaid a loan made to them in July 1990 which was for \$75,000 plus interest of \$6,608.88 for a total of \$81,608.88.
- (j) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Plaza and Bayview Plaza. He noted that Ray Jones of UEDC is present to respond to questions.

In response to an inquiry from Ace Washington, WAPAC, regarding the status of the African-American Empowerment Task Force, Mr. Helfeld indicated that the Task Force is in the process of preparing a draft report for the new administration which is expected to be before the Commission shortly.

- (k) It is requested that item 6 (i), commending James Demetre for his services upon the occasion of his retirement from the Agency be considered at this time.

NEW BUSINESS - REGULAR AGENDA

- (i) Mr. Helfeld introduced item (i), which commends and expresses appreciation to James Demetre on the occasion of his retirement. Since joining the Agency in 1968, Mr. Demetre held a number of positions, the most recent being Senior Planner in the Architecture Department. During his 23 year tenure he made a significant contribution to the successful Rehabilitation Program in the Western Addition and the Affordable Housing and Economic Development Programs in Hunters Point and India Basin. This opportunity is taken to thank Mr. Demetre for his dedicated work and wish him success in his future endeavors.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-92 BE ADOPTED.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P. for Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO.

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326-91, WOULD BE CONTINUED TO THE MEETING OF MEETING OF JANUARY 14, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Robert Firehock, Deputy General Counsel, introduced item (b), which requests approval of a Resolution of Abandonment - Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 3, Yerba Buena Gardens.
- (c) Robert Firehock, Deputy General Counsel, introduced item (c), which requests approval of a Resolution of Intention to establish a Community Facilities District and to authorize the levy of special taxes pursuant to the Mello-Roos Community Facilities Act of 1982 in connection with Yerba Buena Center.
- (d) Robert Firehock, Deputy General Counsel, introduced item (d), which requests approval of a Resolution of Intention to incur bonded indebtedness of the proposed Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 4, Yerba Buena Gardens, pursuant to the Mello-Roos Community Facilities Act of 1982.

These items provide for the financing of a portion of the land price of the Central Block 1 (CB-1) Office Parcel as agreed upon in the most recent discussions with Olympia & York, by means of creation of a Mello-Roos district around the CB-1 Office Parcel, the setting of a tax rate on that district and the issuance of up to \$40 million of Mello-Roos bonds. Adoption of these resolutions will permit the statutorily required 30-day period to pass before the Agency's next official actions, tentatively scheduled for the February 11, 1992 meeting, which will establish the Community Facilities District No. 4 and authorize the bonds and tax. This assumes agreement is reached with Olympia & York on an Eleventh Amendment to the Disposition and Development Agreement prior to the current extension date of January 15, 1992, which will include a revised schedule for bond financing and conveyance, as well as details of the transaction.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-92 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-92 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 3-92 BE ADOPTED.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing the amendment of a \$103,000 loan to Mission Housing Development Corporation for preconstruction expenses related to

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the development of family rental housing at 464-480 Valencia Street as part of the City-wide Tax Increment Housing Program.

- (b) Authorizing a Seventh Amendment which revises the Performance Schedule and extends the Absolute Conveyance Date of the Agreement for Disposition of Land for Private Development with Sprincin Partners IX, a California Limited Partnership, for the property located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.
- (c) Authorizing a Second Amendment which revises the Performance Schedule of the Agreement for Disposition of Land for Private Development with Bush Street Synagogue Cultural Center for the development of 1881 Bush Street and the development of the adjacent site located at the southeast corner of Bush and Laguna Streets; Western Addition A-2.
- (d) Authorizing a Letter Agreement in an amount not to exceed \$18,000 with the San Francisco Public Utilities Commission, Bureau of Light, Heat and Power for upgrading certain alley lighting between Market and Folsom Streets, Fifth and Seventh Streets; South of Market.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b), (c) AND (d), RESOLUTION NUMBERS 4-92, 5-92, 6-92 AND 7-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (e) Mr. Helfeld introduced item (e), which is a workshop to review the revised development proposal and Affordable Housing Program and the Developer's request for Affordable Housing Subsidy Funds for the Land Disposition Agreement (LDA) with Fillmore Renaissance Associates for Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. Subsequent to approval of the LDA in November 1989 for the development 102 for sale condominiums with an interior garden, a health club and approximately 41,000 square feet of commercial space, several amendments have been approved revising the performance schedule. The Developer's efforts during the past year to expedite the development schedule have been unsuccessful due to the current depressed state of the capital market and stringent underwriting criteria imposed by lenders. Based upon discussions with potential lenders, the Developer has decided that a substantial revision of the project concept is necessary to obtain a construction loan and it is now proposed to eliminate the commercial space and construct 96 for-sale condominiums including an affordable housing program which would provide 48 units affordable to low and moderate income households at an average income level of 100 percent of median income for which an Agency subsidy of \$1.860 million would be required and 48 units would be market rate. Although this depth of affordability would be consistent with the Agency's Mission Statement, some potential lenders have expressed a goal of serving an average of 80 percent

of median for Community Reinvestment Act purposes. If affordability at 80 percent of the median is desired by the lenders and the Agency, the required Agency subsidy would be approximately \$3.560 million including the land write-down of \$360,000 already approved. Funds are not currently available and the request for subsidy funds would need to be included in the Agency's 1992-1993 budget submitted to the Mayor and Board of Supervisors. Also, after there is agreement on the basic direction of the project further refinement must be done on specific business points, such as the community benefit program, developer profit level, and the revised design. Staff supports the revised proposal if the project can be financed at an average unit price affordable to households at 100 percent of median income.

Mr. Helfeld noted the pro's and con's of providing affordable housing subsidy to ownership developments as summarized in staff memorandum.

Paula Collins, Fillmore Renaissance Associates, made a presentation on the revised design concept.

Charles Collins, Fillmore Renaissance Associates made a presentation on the overall proposal. He noted that the original design included retail space but that was four years ago and it is no longer viable in the current capital market which requires that when commercial space is built that basically there be take-out leasing in place for take-out financing so essentially the whole transaction is tied up before a construction commitment can be obtained. In addition, there are substantial vacancies in the Szeto building and the Fillmore Center retail space. The community was very interested in having commercial space and it meant a lot in terms of identity of the project it was endeavored to put together but it failed to materialize. With regard to community benefits, the Fillmore Renaissance Community Foundation will share the profits from this project at 3 percent and there is also a commitment to the WAJUMBE Cultural Institution. With regard to the housing program it is intended to continue to work with San Francisco Housing Development Corporation and a letter of intent has been entered into with them which is still in place. An analysis has been made of a mixed income project and it is hoped to make it work.

The following persons spoke in support of the project: Ace Washington, WAPAC; Katherine Nash, WANA; Morris Phillips and Arnold Townsend, Fillmore Market Place Associates; Reverend John Lane; Robert Reece; and Lefty Gordon, Ella Hill Hutch Community Center.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732 and indicated she would refrain from discussions on this item.

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Mr. King noted his support of staff's recommendation and indicated that there is a need to proceed expeditiously with the project.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that it is hoped to get lenders to finance the project with units at 100 percent of median income.

President Bagot inquired if this would be known in time for the budget process and Mr. Helfeld indicated that the budget process is over a period of months and it is expected it will be determined shortly whether units at 80 percent of the median income will be required by banks or if financing can be obtained for a project with units at 100 percent of the median.

Mr. Helfeld inquired if the Commission wishes staff to pursue funding for the project in the budget process and President Bagot indicated affirmatively.

- (f) Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (f), which requests authorization to expend up to \$135,000 for the repurchase and refurbishment of 1941 O'Farrell Street under the Affordable Condominium Program in the Western Addition A-2 and authorization to pay Homeowner's Association dues during the term of the Agency's ownership in an amount not to exceed \$250 per month. Subsequent to purchase of the unit in October 1983, the owner died one year prior to the expiration of the Agency's repurchase option. Upon learning of a pending market rate sale, staff advised the executrix of the estate of the Agency's continuing interest in purchasing the unit to retain its affordability and that it is believed sale to the Agency will result in greater proceeds to the estate because there will be no real estate commission, closing costs are less and the owner will be credited with the cost of any improvements made during the term of ownership. The cost to purchase the unit is estimated to be between \$115,000-\$120,000 and an additional \$15,000 is being requested to refurbish the unit prior to resale which will facilitate its resale and avoid passing on a major expense to the new low-to-moderate income buyer.

In response to an inquiry from Mr. Kitahata, Mr. Rhett indicated that, although the owner died within the seven year option period, the sale of the unit is beyond that period. The Agency has indicated an interest in its repurchase in order to maintain the unit's affordability for an additional seven year period. In any event, the Agency would have been informed of the impending sale by the title company.

Jennifer Bell, Deputy General Counsel, indicated that from a legal view point the Agency does not have the right to purchase the unit but essentially is making an offer and indicating the estate will benefit from its repurchase by the Agency.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-92 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to award a Contract in an amount not to exceed \$71,399.10 to San Luis Construction for Donahue Street improvements at the Hunters Point Naval Shipyard. The United States Navy is currently negotiating with the Agency to finalize a lease between the Navy and the City and the Navy has consented to the relocation of their security gate, pending approval of the traffic and security provisions. The contract provides for the installation of traffic signals and relocation of security fencing, the security gate and guard station. The work is being done as a cooperative effort between the Navy and the Agency to move the security gate to a location which will allow Donahue Street, which is currently closed within limits of the Shipyard, to be open to public traffic, thereby providing improved local traffic circulation. It will also provide access from two directions to Mariners Village and Morgan Heights developments which presently can only be entered from a westerly direction. Following extensive advertising, six bids were submitted ranging from \$71,399.10 to \$95,472. The Engineer's estimate is \$81,560. The lowest bid was received from San Luis Construction, a San Francisco-based minority-owned business enterprise certified by the Human Rights Commission. If the contract is approved 100 percent of the work will be performed by minority-owned firms. Funding of approximately \$30,000 is available from non-tax increment monies available in the Housing Division and the remaining funds are available in the South Bayshore budget.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-92 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of the issuance of Refunding Bonds for the 1988 Moscone Convention Center Expansion in connection with Yerba Buena Center. In the Spring of 1991 the CAO gave the Agency the rights to all proceeds from a refinancing of the 1988 bonds. For the purpose of budgeting revenues for the Yerba Buena construction, staff has assumed that the Agency will receive \$3 million from this refunding. It is currently proposed to pursue partial refunding of the 1988's middle and late maturities, resulting in a bond issue of approximately \$85 million from which the Agency should receive upfront proceeds ranging from \$3.5 to \$6 million depending on market conditions and the eventual security provisions of the bonds. Staff has received underwriting proposals and there will be substantial minority participation on the underwriting team. Because of recent improvements in the bond market and the anticipated issuance of new reimbursements regulations by the Treasury Department which would adversely affect the value of the refunding, it is important to proceed expeditiously. Following approval of the bond resolution by the Board of Supervisors, staff will return to the Commission with the final terms of the transaction.

Robert Gamble, Deputy Executive Director, Finance, noted that following a competitive process and evaluation by Agency staff, in conjunction with the Office of the Chief Administrator, a

group of six underwriting firms is recommended. The team consists of: Artemis; Grisby, Brandford; Goldman, Sachs; Smith Barney; Dean Witter; and Charles Bell. Three of the six firms are local and minority or women-owned. Goldman, Sachs is recommended as lead underwriter and it is proposed that Pryor, McLendon, a minority business enterprise, will provide financial advisory services for the transaction.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos noted that the next step with regard to the 24th Street Revitalization Committee proposal will be to meet with staff, Supervisor Gonzales and the Committee, preferably within the next two weeks. Staff recognizes this is a long term commitment so a redevelopment project area has to be discussed but this should not be made a condition of assisting the community. It was made clear to the community that the Agency would be requesting funding in the 1992-1993 budget and staff was requested and analyzed the proposal, but it did not indicate the direction in which to proceed. This should not go forward as a pilot project but as a program so it is not interpreted as a "test". There has to be a process for dealing with the community.

President Bagot noted that it is important the community understands the funding would have to be from the general fund because tax increment funds can only be used in redevelopment project areas.

Mr. Helfeld indicated staff will send suggestions to the Commissioners on how to proceed. There is an immediate action element in trying to respond to the community and there are important issues of trust and understanding. There is a need to explore long term commitments with the community and the only way to get those financial resources is through redevelopment. However, a first step opportunity project is still suggested but it is up to the community on how they wish to proceed. It would be remiss to suggest that this is just one development project when it is a whole street which will take more resources than one demonstration project.

Ms. Bolanos requested staff prepare a strategic plan on how the revitalization of 24th Street will look. She indicated that staff did a good job and requested that if staff did not agree with her suggestions they let her know why.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Robert Spear, President, Western Addition Parking Corporation; noted his concern that the Agency is proceeding with a project to

construct a parking lot in the Western Addition when there are vacancies in the Japantown garage. He further noted his concern regarding Agency-owned properties and 1866 Turk Street and 1915 Eddy Street.

President Bagot indicated that Mr. Spear should submit his concerns in writing and staff will respond with a copy to the Commission.

Mr. Helfeld indicated that staff will make a report on the issues raised by Mr. Spear at the January 14, 1992 meeting.

- (b) Morris Phillips, Fillmore Market Place Associates, inquired regarding the scheduling of a workshop to discuss different treatment of non-profit and for-profit developers in affordable housing programs with Agency subsidies.

Following a discussion between the Commissioners, Mr. Phillips and staff, it was the consensus of the Commission that a workshop on this subject would not be scheduled at this time.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location is Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, January 3, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON JANUARY 3, 1992.

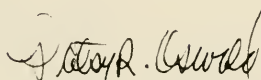
This item is pursuant to Government Code Section 54956.9(b) regarding threatened litigation.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Personnel and Threatened Litigation. The meeting adjourned at 6:10 p.m.

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Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

January 21, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JANUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of January, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

V. Fei Tsen, Vice President (Arrived 4:15 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Anita Hill, Executive Director, Yerba Buena Marketing and Alliance; Ken Wemer, Roebbelen Construction, Inc.; Eugene Cheng and Art Lange, Artistic Tiling Co; Harry Ong, Ong Landscaping, Inc.; Robert Ho, Asian, Inc.; and Mike Mahoney, San Francisco Police Department.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It is requested that item 5 (a), authorizing an Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P., be continued.
- (b) It is requested that one item be added to the Regular Agenda and two items be added to the Closed Session agenda.
- (c) On January 9, 1992, the City Planning Commission approved the design for restoration of the Oriental Warehouse.
- (d) On January 13, 1992, the Board of Supervisors approved an amendment to the Moscone Project Lease Revenue Bonds, which will be before the Agency Commission at the January 21, 1992 meeting for approval. Also, a Special Meeting of the Redevelopment Financing Authority will be held on January 21 to consider this item. The Board only approved \$3 million which is part of the

Minutes of a Regular Meeting, January 14, 1992
(Continued to January 15, 1992)

Agency's construction budget for Yerba Buena Center and held the rest in reserve pending the sale of the bonds. The Agency's position is that at least \$3.5 million is needed to proceed with the design and staff will pursue this issue.

- (e) Commissioner King has been nominated as a recipient of the Saint Paul of the Shipwreck Rev. Dr. Martin Luther King, Jr. award which will be made on January 19, 10:00 a.m., at the St. Paul of the Shipwreck at 1122 Jamestown Avenue at Third Street.
- (f) There will be a Special Meeting to be held jointly with the City Planning Commission on January 23, 1992, after 5:30 p.m., to consider the Yerba Buena Center Environmental Impact Report (EIR) Supplement. All Commissioners, except Ms. Bolanos have indicated they will attend.

Mr. Mardikian indicated that he would not be able to attend.

Ms. Tsen arrived at this time, 4:15 p.m.

- (g) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza. He noted that representatives of UEDC are present to respond to questions.
- (h) Mr. Helfeld introduced Anita Hill, Executive Director, Yerba Buena Gardens Marketing and Alliance, who noted the events that will be taking place during the Yerba Buena Gardens Celebration.
- (i) With regard to Minority and Woman Owned Business Enterprise Program Compliance in the Yerba Buena Gardens Esplanade Construction Contract, bids were opened on December 17, 1991 and the apparent low bidder is Stolte Construction. Staff has been evaluating Stolte's compliance with the Agency's MBE/WBE provisions. Public contract law requires the bidders to list all subcontractors that will be doing in excess of one half of one percent of the bid amount. In this case, all first tier subcontractors doing in excess of approximately \$118,000 worth of work needed to be listed with the bid documents. Minority and Women owned firms with smaller contracts or second tier subcontracts would be identified after the bids. During this process, the Agency has received complaints from two MBE's who were not listed by Stolte, Ong Landscaping and Artistic Tiling. Staff met with Stolte on January 13 and gave them five days to supply written documentation on its efforts to include MBE/WBE subcontractors and for specific responses to allegations of the two firms that have protested. This investigation is being conducted pursuant to the process set forth in the Agency's Affirmative Action Program. Staff assures the Commission that award of the contract will not be recommended until they are satisfied that there has been full compliance with the Agency's MBE/WBE provisions.

UNFINISHED BUSINESS

- (a) Requests authorization of an Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P. for Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 326-91, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to give indemnity to Chicago Title Company in connection with the Central Block (CB-1) Office Parcel in Yerba Buena Center.

This is not an agenda item and pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, JANUARY 10, 1992.

David Madway, Agency General Counsel, indicated that the title company needs to give a policy of title insurance in connection with the conveyance of the CB-1 Office Parcel. In order to clear one of the exceptions to the title policy, staff has determined that it is in the Agency's best interest to give an indemnity to the title company offering to indemnify them should a problem arise out of this exception. Specifically, the problem could conceivably be the encroachment of certain footings off the Jessie Street Substation and onto the office parcel which is a condition staff does not believe exists and it would take a significant amount of money to confirm. This is a step the Agency has taken in the past on many occasions when similar title problems have arisen and it is proposed the Executive Director be authorized to enter into an indemnity in the Agency's standard form to address this problem.

In response to an inquiry from Mr. Kitahata, Mr. Madway indicated that there will be no cost to the Agency to give the indemnity unless it transpires that the condition exists and there are law suits and claims against the title company.

Mr. Helfeld indicated that staff will be investigating this issue at the appropriate time and in any event if there is a problem it will be known and this item relates to conveyance of the parcel to Olympia and York.

Minutes of a Regular Meeting, January 14, 1992
(Continued to January 15, 1992)

In response to an inquiry from Ms. Bolanos, Mr. Madway indicated that this is a standard form of indemnity that the Agency has given on many occasions in other transactions and is limited to this particular situation. It will enable the Agency to make an offer to convey the property on January 15, 1992.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Kitahata, regarding the Minority Television Project (MTP), Mr. Helfeld indicated that MTP has been notified of non-compliance with certain components of the agreement and given 60 days to respond. With the exception of President Bagot, the Commissioners indicated they had not received a copy of the communication to MTP, which Mr. Helfeld indicated would be provided immediately.

Mr. Helfeld suggested a public discussion be held before expiration of the 60 day period, which President Bagot indicated would be desirable considering that action may be required after that time.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) The following persons protested the award of the Yerba Buena Gardens Esplanade Construction Contract to Stolte Construction: Ken Wemer, Roebbelen Construction, Inc.; Eugene Cheng and Art Lange, Artistic Tiling Co.; Harry Ong, Ong Landscaping, Inc.; and Robert Ho, Asian, Inc.

Mr. Helfeld indicated that this matter will be the subject of a Closed Session. Staff is investigating the allegations made and anticipates a report will be made to the Commission at the January 21 meeting. If there is any change in scheduling of the report and public discussion, all interested parties will be notified.

Ms. Tsen noted that the construction of Yerba Buena Gardens is a public venture which she would not like marred by allegations of discrimination and the Commission will consider the issues raised very carefully.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Minutes of a Regular Meeting, January 14, 1992
(Continued to January 15, 1992)

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens in Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northwest corner of Newcomb and Whitney Young Circle in Hunters Point with Progress Seven.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, January 10, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON JANUARY 10, 1992.

The first item is pursuant to Government Code Section 54956.9(b) regarding Threatened Litigation. The parties threatening to initiate litigation are Ong Landscaping, Inc. and Artistic Tiling Co.

The second item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Threatened Litigation and Personnel. The meeting adjourned at 4:45 p.m. to call of the Chair.

RECONVENED

At this time, 4:51 p.m., the meeting reconvened on January 15, 1992, with the following roll call:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Haig G. Mardikian

Edward Helfeld, Executive Director, and staff members were also present.

Also present present was: John Elberling, Tenants and Owners Development Corporation (TODCO).

Mr. Helfeld and President Bagot described the terms of the agreement reached with Olympia & York regarding the purchase of Central Block 1 (CB-1) Office Parcel in Yerba Buena Center and responded to questions from Mr. Elberling.

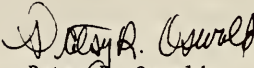
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT THE CONVEYANCE DATE FOR THE CENTRAL BLOCK 1 OFFICE PARCEL BE EXTENDED TO JANUARY 31, 1992 TO PERMIT THE PARTIES TO FINALIZE THE AGREEMENT THAT WAS REACHED ON JANUARY 15, 1992.

Minutes of a Regular Meeting, January 14, 1992
(Continued to January 15, 1992)

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 28, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JANUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of January, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

and the following was absent:

Buck Bagot, President

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Chuck Bradley, CALA Foods; Sue Bierman, Friends of the Gardens; Claude Carpenter, B & C Painting; Rick Bennet; Toye Moses, Young Community Developers; Ethel Garlington; Zettie Le Blanc, Bayview/Hunters Point Job Coalition; James Fang, Mayor's Office of Economic Development; and Harold Yee, Asian, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 7, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Bolanos, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of January 7, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Helfeld requested that item 6 (a) be considered prior to the Report of the Executive Director.

NEW BUSINESS

- (a) Philip Williams, Housing Development Specialist, introduced item (a), which requests approval of a Final Plan prepared by the Chinatown Economic Development Task Force which identifies programmatic uses for \$2 million of Agency funds set aside for economic development activities in Chinatown. The Task Force was created by the Mayor's Office in June 1991 to develop a plan and determine which programs should be implemented to assist in revitalizing Chinatown's economy with \$2 million in Agency funds earmarked for the area. A public hearing was held on August 11, 1991 in Chinatown to solicit comments from the public regarding the Preliminary Plan which summarized all the possible programs that could be implemented with the 2 million. Given the limited amount of funding, the Task Force selected one to three programs in each program area that it was felt should be given priority. The program areas are: access improvements, aesthetic improvement; marketing; finance and long-range planning. A public workshop was held on December 17, 1991 to review a draft Final Plan which received favorable response from the Commissioners and the general public. It contains recommendation implementation procedures which are intended to retain control of the \$2 million within the community, while ensuring a sufficient level of review and involvement by the City. The Task Force is now requesting approval of the Final Plan with certain amendments which are: added to the "Mayor's Office of Business and Economic Development" referenced in the plan, will be "or the equivalent function within the City under an alternative economic development structure"; \$500,000 previously designated for the working capital loan program will now receive an additional \$90,000 which will be diverted from the park and ride shuttle program with the \$500,000 to be reserved for merchants loans and the \$90,000 to be used to pay for administrative expenses incurred by Asian, Inc. to market and package loans under the program; in view of the new Mayor and administration, it is proposed that the Mayor's Office appoint the Board of Directors of the Chinatown Economic Development Group, rather than the current members remaining intact on the Board; and the Final Plan specifically mentions Chinatown aesthetics as a key area to be addressed under long-range planning. On January 7, 1992, the Task Force approved the Final Plan with these amendments.

Mr. Helfeld indicated that staff recommends approval of the Final Plan with the understanding that further discussions be held on the Agency's relationship with the Chinatown Economic Development Group after its new members have been appointed by the Mayor.

Commissioners King and Mardikian noted their support of the Final Plan.

Mr. Kitahata indicated he had posed questions to staff regarding loan payments since it had been his understanding that the funds would come back to the Agency to be used for economic development purposes. Also, when such loan programs are established they should include an evaluation component.

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Mr. Helfeld indicated that monitoring funds will be an important part of the discussions to be held with the new Chinatown Economic Development Group, following which staff will return to the Commission with recommendations.

In response to an inquiry from Mr. Kitahata, Harold Yee, Asian, Inc., indicated the the MOEPD Loan Committee is largely now in existence and one additional person maybe added.

Ms. Tsen indicated that she believes it is appropriate for the Mayor to appoint members of the new Board which it is hoped will have the same diversity as the existing Task Force in order to reflect all opinions in Chinatown. It should be made clear that in approving the Final Plan, there are issues that have been raised regarding program evaluation, return of funds once loans are repaid and the mechanics of fund expenditures which need further refinement and will be before the Commission for further discussion once the new economic development group is appointed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a Special Meeting to be held jointly with the City Planning Commission on January 23 at 5:30 p.m. to consider the Yerba Buena Center Environmental Impact Report (EIR) Supplement.
- (b) It is requested that two items be added to the Closed Session agenda. One item is on Real Property Negotiations and the other on Threatened Litigation.
- (c) Mr. Helfeld gave a status report on the Employment/Training Program for the new CALA/ABC supermarket at 345 Williams Avenue which is scheduled to open on January 29, 1992.

Shirley Wysinger, Assistant Project Coordinator, Hunters Point/India Basin and Western Addition A-2 Projects, introduced representatives from CALA, the Screening Committee, the Private Industry Council, the Hunters Point Job Coalition and Young Community Developers.

Chuck Bradly, CALA Foods, and Toye Moses, Young Community Developers, expressed appreciation to the Commission and staff for their assistance in assuring the opening of the supermarket.

The Commissioners noted their pleasure at the opening of supermarket, which will greatly benefit the neighborhood, and at the success in hiring community residents.

Mr. Mardikian noted he is pleased that the Agency has been instrumental in opening supermarkets in the South Bayshore and

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the Western Addition and he would like to see a supermarket in the South of Market.

- (d) The Mayor's Office has requested all City Departments to submit a base budget with a 10 percent reduction by February 21, 1992. However, because the Agency's program is different from other departments, discussions will be held with the Mayor's Budget Office to determine the status and a report will be made to the Commission in early February. It is planned to hold three public hearings on the Agency's budget during February.
- (e) The Commissioners have been provided with a Table indicating the Agency's supportable bonding capacity per project.
- (f) The Commissioners have been provided with staff's response, addressed to the Board of Supervisors, to the Budget Analyst's report which contains two areas to which staff is raising objections. It is expected the Budget Analyst will be responding shortly and a copy will be provided to the Commissioners.
- (g) Staff has been briefing representatives of the new administration on the Agency's programs.
- (h) Ms. Bolanos reported that she had met with Supervisor Gonzales and members of the 24th Street Revitalization Committee in efforts to arrive at a financing mechanism to provide funding for fiscal year 1991-1992 and the Commissioners have been provided with a copy of the proposal.

Mr. Kitahata indicated that he did not agree with the proposal and would like to discuss it further.

Ms. Tsen suggested this item be taken up under Matters not Appearing on the Agenda.

- (b) Michele Davis, Assistant Housing Development Specialist, introduced item (b), which requests authorization of an extension of Exclusive Negotiations, until April 29, 1992, with Housing Conservation and Development Corporation (HCDC) for Site HH-1, the Hunters Point School Site, located on the southeast corner of Ingalls Street and Kiska Road, in and adjacent to Hunters Point Redevelopment Project Area. The proposal submitted called for the development of a mixed-use project comprised of 35-38 ownership units to be purchased by low and moderate income households and possibly some commercial space. In accordance with an initial Agency requirement, a prospective joint venture partner with commercial development expertise was obtained but subsequently withdrew because of the belief that the commercial component could not provide sufficient return on private investment capital. An extension is being requested to determine if the the commercial component is feasible and to prepare schematic drawings. A \$75,000 predevelopment loan has been provided by the Agency to assist with expenses towards the housing component of the project, however, the Developer has not spent much of the loan because of the uncertainty over the design

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concept and the difficulties encountered with the former commercial partner. The Agency's fiscal year 1991-1992 budget included a \$1 million subsidy contribution to provide for a mix of units affordable to low and moderate income buyers. However, the Developer has expressed concern regarding the feasibility of selling some of the units at market rate because of a nearby Public Housing Authority project, as well as anticipated difficulty in obtaining construction financing for market rate units, and is requesting an additional \$1 million be included in the 1992-1993 budget in order for 100 percent of the units to be affordable to households with incomes averaging 100 percent of the median, regarding which staff is seeking Commission guidance.

In response to an inquiry from Ms. Tsen, Mr. Helfeld indicated that action being taken is only on a time extension and staff will make a recommendation on the request for additional funding at a future time.

Mr. Helfeld indicated that information on the land price write-down would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-92 BE ADOPTED.

- (c) Jack Robertson, Housing Development Specialist introduced item (c), which requests authorization to designate the Executive Director and Deputy Executive Director for Finance as the Agents with respect to the State Office of Emergency Services' Hazard Mitigation Grant Program. An application by the Agency, through the Office of the Chief Administrator (CAO), to the Federal Emergency Management Agency (FEMA) for a \$1 million grant for seismic upgrading of unreinforced masonry buildings in the South of Market Earthquake was approved and subsequently the CAO's Office requested the Agency be the direct recipient of the funds which are administered by the State's Office of Emergency Services. In order for the Agency to receive these funds directly, the State has requested certain staff members be designated to be its agent with respect to obtaining the FEMA funds. The Grant Program will provide up to a 50 percent reimbursement of Agency funds for the seismic upgrading and approximately two years are allowed to expend the \$1 million grant which will be matched by Agency funds of \$1 million of the South of Market Project Area's Housing Assistance funds programmed during the 1990-1991 fiscal year. The Agency has issued a \$3 million Notice of Funding Availability to non-profit housing developers for the purpose of acquiring and rehabilitating low-income residential buildings along the Sixth Street corridor.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-92 BE ADOPTED.

- (d) Leamon Abrams, Chief of Economic Development, introduced item (d), which requests authorization of a First Amendment, which

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increases the funding amount by \$100,000 for the period July 1, 1990 to June 30, 1992, to the Personal Services Contract with the Mayor's Office of Business and Economic Development (MOBED), now known as the Mayor's Office of Economic Planning and Development (MOEPD), for continued administration of the Small Business Loan and Investment Program (Loan Program). The initial contract was authorized in an amount of \$50,000 for the period November 15, 1989 to June 1990 to assist the Agency in the administration of its Loan Program capitalized with \$850,000 which was jointly developed by the Agency and MOEPD for the purpose of providing below-market rate interest loans to qualified businesses. At the time the Loan Program was established the Agency had no mechanism to process and review the loans, while MOEPD had staff in place to provide these functions as well as an existing Administrative Loan Board. In addition, a Fund Administration Agreement was executed to cover extra services performed by MOEPD in connection with administration of the Emergency Earthquake Loan Program. Staff has analyzed the services provided by MOEPD in the context of the goals and objectives established for the Agency's economic development program and believes their continued administration of the Loan Program is appropriate.

In response to an inquiry from Mr. Kitahata raised earlier at the meeting, Mr. Abrams noted that MOEPD will administer all existing loan programs.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-92 BE ADOPTED.

- (e) Robert Gamble, Deputy Executive Director, Finance, introduced item (e), which requests authorization of the issuance of Agency Lease Revenue Bonds, Series 1992, in an amount not to exceed \$110 million, related to the Moscone Convention Center Expansion Project; the sale of such bonds to the City and County of San Francisco Redevelopment Financing Authority; a First Amendment to Project Lease with the City and County of San Francisco; and authorizing and approving official actions, contracts, documents and other matters in connection with such bond issuance and sale and lease amendment, in connection with Yerba Buena Center. In 1979 the Agency issued lease revenue bonds to fund the original Moscone Convention Center on Central Block 3 (CB-3). In 1988 additional lease revenue bonds were issued to build an expansion to the Moscone Convention Center on Central Block 2 (CB-2), under which in the near future will be the Yerba Buena Gardens esplanade, theater and visual arts center and entered into a lease of that portion of the Convention Center to the City. In order to generate additional money for the City the 1979 bonds were refunded during the past year. Part of the agreement with the Office of the Chief Administrative Officer (CAO) at that time was that the Agency would be permitted to refund the 1988 bonds if it became practical and the money generated would be used to complete Yerba Buena Gardens on top of the Convention Center. A favorable credit market makes the partial refunding of those bonds an advantageous transaction by which both the City and

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Agency can realize cash savings in the form of additional proceeds, to be used both for Yerba Buena Gardens and other City requirements. In light of the City's budget problems, the City requested some of the savings from the refunding and the Board of Supervisors agreed. As presently agreed among the parties, \$3 million will be available to the Agency immediately; \$3.5 million will be reserved subject to the Board of Supervisors approval of the CB-3 program; and the balance of any savings in excess of \$6.5 million will go to the City. Although the Agency will not receive all the anticipated savings, the \$3 million will permit the Yerba Buena Gardens program to proceed and the balance will assist the City with its budget.

Sue Bierman, Friends of the Gardens, noted her concern at the funds going to CB-2 and not to CB-3 which will provide children's facilities. She thanked the Commission and staff for their hard work in recent negotiations with Olympia & York.

Mr. King noted he concurred with Ms. Bierman's comments. Funds are being expended on the rest of the project but not CB-3 and so nothing is being done to accommodate children.

Mr. Gamble responded to questions from Mr. Kitahata regarding an agreement for the disbursement of funds and from Mr. Mardikian regarding surety bonds.

Mr. Kitahata noted his concern that the Agency is assisting the City with what it is hoped will be a one time budget deficit and the funds should be going to other Agency projects.

Ms. Tsen inquired regarding the impacts of not having a bond issue and Mr. Gamble suggested it would be advantageous to proceed with the bond issue at this time, otherwise \$4 million would be lost because of pending tax regulations which would reduce the total achievable savings.

In response to an inquiry from Mr. King, Mr. Gamble indicated that the Board of Supervisors approved issuance of the bonds on January 21.

Mr. Mardikian indicated he felt comfortable approving the bond issue because it is open to the City who is considering what for them can be a savings as a result of the refinancing.

Mr. Gamble indicated that with regard to the \$3.5 million a letter could be written to the Finance Committee requesting funds to be realized for CB-3 after the bonds are sold. With regard to any proceeds beyond \$6.5 million it would require a release of the reserve by the Finance Committee.

Ms. Tsen indicated that there is obviously a need to have further discussions with the Mayor's Office and Finance Committee.

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Mr. Helfeld noted that the Mayor's Office has been most cooperative and Mr. Sims of the new administration made a presentation to the Finance Committee on the refinancing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-92 BE ADOPTED.

Acting President Tsen announced that the meeting would be adjourned to a Special Meeting of City and County of San Francisco Redevelopment Financing Authority.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to a Special Meeting of the City and County of San Francisco Redevelopment Financing Authority. The meeting adjourned at 5:20 p.m.

RECONVENED

At this time, 5:26 p.m., the meeting reconvened back to the Regular Session, with the same roll call.

- (f) Robert Firehock, Deputy General Counsel introduced item (f), which requests authorization of an Amendment to the Letter of Credit Reimbursement Agreement (Agreement) with Mitsubishi Bank, Limited, in connection with the South Beach Harbor in Rincon Point-South Beach. The Agency issued bonds to refinance a note issued to obtain construction and related funds to develop the Harbor. The payment of the principal and interest on the bonds is secured by a pledge of certain revenues and tax allocations and a letter of credit issued by Mitsubishi Bank. The Agency has made all payments of principal and interest due on the bonds to date, however, revenues pledged are not sufficient to equal 130 percent of the amounts due on the bonds and the Agency is therefore in default of its obligations under the Reimbursement Agreement. The default has been cited as an exception to the Agency's annual audit which could adversely affect its ability to finance other redevelopment activities. The Bank and the Agency have agreed to a harbor lease restructuring converting a limited revenue obligation to a general lease obligation which will cure the default and pledge additional revenues to the bonds. In return for pledging of additional revenues and curing the default, the Bank has agreed to extend the expiration of the Agreement from December 15, 1993 to December 15, 1998 which will further enhance the Agency's credit rating and provides financial flexibility. As part of the agreement with the Bank, the Agency after consultation with the Mayor's Office, has agreed to a schedule for amortizing the Harbor bonds by 2016, their final maturity date, and a new letter of credit fee of 0.75 percent annually of the maximum amount payable under the letter of credit which is considered to be reasonable. The Agency would pay an extension fee of \$20,000 and the Bank's legal fees would not exceed \$15,000.

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ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-92 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Claude Carpenter, B & C Painting, reported on a dispute regarding a bid with a Developer in the Hunters Point Redevelopment Project Area which has been discussed with Gene Suttle, Senior Deputy Executive Director.

Ms. Tsen noted that the Commission endorses jobs going to community based firms and individuals.

Mr. Suttle indicated that there are many issues involved and a report will be made to the Commission when there has been a full investigation.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Bolanos indicated that at the last meeting with the 24th Street Revitalization Committee, there was concern because they are trying to secure vacant sites and it is felt the 1991-1992 budget allocation is speculative. There was also concern about creating a redevelopment project area and preference was expressed for a "one-shot" deal and then see the results. The possibility of the Commission considering the matter at the January 28, 1992 meeting has been discussed with Supervisor Gonzales.

Mr. Helfeld indicated that the Commissioners have been provided with an informational memorandum on the concept for funding 24th Street whereby: the City amends the Agency's budget by \$100,000 and authorizes financing to achieve \$1 million in funds; the Agency assigns \$1 million of housing funds that will not be spent before July 1992 to the Mayor's Office of Community Development who, in turn, will provide the Agency with \$1 million in Block Grant Funds for 24th Street; and with a tax increment bond issue in 1992-1993, increased by \$1 million, the Agency's housing funds would be replaced.

Mr. Kitahata suggested that any monies raised from Moscone Convention Center Expansion Project in excess of \$6.5 million could be directed to the revitalization of 24th Street.

Mr. Helfeld noted that he had raised this issue with Supervisor Gonzales who indicated those funds should only go to Yerba Buena Center.

Ms. Bolanos suggested that Mr. Helfeld contact Supervisor Gonzales again to discuss using part of the bond proceeds for 24th Street.

Mr. Kitahata indicated he did not agree with staff's recommendation on the funding of 24th Street.

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Acting President Tsen announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location is Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, January 17, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON JANUARY 17, 1992.

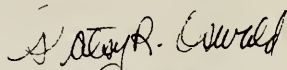
The first item is pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The parties threatening to initiate litigation are Ong Landscaping, Inc. and Artistic Tiling Company.

The second item is pursuant to Government Code Section 54956.8 regarding Real Property Negotiations for the property bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is Caltrans.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

SF
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#4
28/92

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JANUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:25 o'clock p.m. on the 28th day of January, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

None

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Supervisor Jim Gonzales; Michael James and Mel Carriere, Wells Fargo Bank; Dino Di Donato, South of Market Problem Solving Council; Robert Barregan, Amelita Pasquel and Tony Levine, Mission Economic Development Association; Al Williams, Olympia & York; Mark Ryser, Foundation for San Francisco's Architectural Heritage; Rosa Rivera, President, 24th Street Merchants Association; Joseph Sciancalepore, Radiator Factory, 24th Street

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of January 14, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On January 28 at 6:00 p.m. the grand opening ceremony will be held of the CALA/ABC market at 345 Williams Avenue in the South Bayshore. The Mayor and several Agency Commissioners will be in attendance.

- (b) The Budget Analyst's (Harvey Rose) audit of the Agency will be released on January 31. Staff concurs with the major portion of the report, however, there are certain recommendations relative to a reduction in secretarial staff and that there are too many highly paid staff compared to other City Departments which it is believed are unfounded without further analysis and comparison to other redevelopment agencies. The audit also recommends a strategic plan geared to down-sizing the Agency and it seems logical to do a strategic plan and based on that determine the staff composition. Staff has alerted several members of the Board of Supervisors that the report will be released on January 31 of which they were unaware.
- (b) At the meeting of February 4, 1992, there will be a presentation on the Agency's 1992-1993 budget for comments by the Commissioners and public. There will also be public hearings at the February 11 and 18 meetings, before action is taken by the Commission to transmit it to the Mayor's Office from whom instructions have been received to reduce the base budget by 10 percent.

President Bagot noted that it is important that organizations funded by the Agency understand the importance of freeing the Agency of some of the restrictions on its ability to use tax increment funds and there will be further discussions on this subject over the next several weeks. The Agency needs the support of community organizations and persons in this regard or it will not be able to help the communities as it has in past years.

NEW BUSINESS

- (a) Lucia Mele, Economic Development Specialist, introduced item (a), which requests authorization to allocate \$250,000 to the Small Business Recovery Fund and authorization of a Program Agreement with Wells Fargo in connection with a guaranteed loan program for small businesses in the South of Market. Subsequent to designation in June 1990 of the South of Market Redevelopment Project Area by the Board of Supervisors solely to provide recovery assistance relative to damage sustained in the October 17, 1989 earthquake, the Agency allocated \$1 million from its 1990 budget for this purpose and contracted with Mission Economic Development Association (MEDA) to provide technical assistance to area businesses. Following analysis, MEDA indicated that small business development was hindered by lack of access to capital and the Small Business Recovery Fund has been designed in direct response to that need. In addition, a survey to assess local business needs identified two major problems as being crime and physical deterioration of the area. With regard to the \$1 million in Agency funding, it is proposed to allocate: \$250,000 to the Small Business Recovery Fund; \$220,000 to the Facade Loan Program; \$150,000 for commercial rehabilitation of the Sunyside Hotel; and \$150,000 for MEDA technical assistance. Staff and MEDA have been working with local financial institutions and banks to identify those interested in working with the Agency to

Minutes of a Regular Meeting, January 28, 1992

assist small businesses and Wells Fargo is the first bank to approve the Program Agreement for the Small Business Recovery Fund whereby public funds are used to guarantee a portion of loans that are made by private lenders.

Ms. Mele introduced Michael James and Mel Carriere of Wells Fargo Bank. She noted that Margaret Matthews of Wells Fargo was unable to attend the meeting but she has been most helpful in developing the program.

Leamon Abrams, Chief of Economic Development, expressed appreciation to Wells Fargo Bank for its cooperation and to Mr. Kitahata upon whose suggestion this activity was pursued.

The following persons spoke in support of item (a): Dino Di Donato, South of Market Problem Solving Council; and Amelita Pasquel, MEDA.

In response to an inquiry from President Bagot, Ms. Mele noted that Wells Fargo has indicated that once the loans are active for a year they will consider reducing the amount of the guarantee on an annual basis based upon the outstanding principal.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-92 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Eleventh Amendment to the Restated and amended Disposition and Development Agreement ("DDA") between the Redevelopment Agency of the City and County of San Francisco ("Agency") and Yerba Buena Gardens, L.P. ("Developer"), which provides for (I) payment of the balance of the purchase price for the Central Block 1 Office Parcel in a series of deposits and extends the conveyance date for that parcel, (II) releases any and all of Developer's rights with respect to East Block 2, Central Block 2, Central Block 3 and the Sports Club Parcel on Central Block 1, except access and related rights for parking to be constructed under St. Patrick's Square, (III) amends the Central Block 1 retail lease in certain respects, and (IV) makes certain other changes in the rights and obligations of Developer and Agency which do not materially adversely affect the rights of the Agency, all in connection with Yerba Buena Center. The Agency and Developer have been negotiating certain changes in the DDA which include: an amended CB-1 Retail Lease to make the lease more attractive to potential mortgage lenders and to assure that the retail space to be created by the Developer can be marketed to potential tenants in a manner consistent with current leasing practices; an extension of the conveyance date for the Central Block 1 Office Parcel to June 30, 1993 with the Developer to pay the \$18.4 million purchase price in a series of deposits over the next seventeen months, in connection with which the Developer is required to maintain a letter of credit in an approximate amount of \$4.4 million to secure the payment; and relinquishment by the Developer to all rights to the parcels on East Block 2, Central

Blocks 2 and 3 and to the Sports Club Parcel on CB-1 except for access and related rights for parking.

David Madway, Agency General Counsel, indicated that is important the Commission understand that the Developer and the Agency are continuing to negotiate on certain aspects of this transaction. One such aspect concerns the subject of liquidated damages and the amount of money the Agency will keep and the amount of money that might be returned to the Developer in the event of default by the Developer prior to conveyance of title of the land. Staff recommendation is that the Commission adopt a resolution authorizing the Executive Director to enter into the 11th Amendment to the DDA, but instruct the Executive Director to execute the document only if that document limits the amount of liquidated damages to the current amount.

Al Williams, Olympia & York, noted that the issue of liquidated damages was presented several days ago and it had been understood this was a suggested change to the structure of the present deal. It was not known until shortly before this meeting that there would be an attempt to make it a condition of the transaction. While it is recognized there is a necessity for further discussions on this point, it seems inappropriate to make it a specific condition of approval of the 11th Amendment. It is requested that execution of the 11th Amendment be authorized and the Executive Director be authorized to pursue negotiations and discuss this issue to a successful resolution, but that particular condition not be established as a precedent to the Developer's ability to sign the 11th Amendment by the deadline that has been established of February 1, 1992.

In response to an inquiry from Sue Hestor, Mr. Madway indicated the amount of liquidated damages is approximately \$24 million.

Mr. Kitahata indicated he would move item (b) with the express condition as outlined by Agency General Counsel and the Executive Director be authorized to enter into the 11th Amendment with the change that liquidated damages be limited to the current amount.

Ms. Tsen noted that there had been substantial discussions on the subject of liquidated damages before this meeting and the Commission is being consistent in the offer that was made previously whereby liquidated damages be limited to the current amount.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, THAT RESOLUTION NO. 20-92, AS AMENDED, BE ADOPTED.

President Bagot indicated that item (c) would be considered when Supervisor Gonzales arrives at the meeting.

- (d) Mr. Helfeld introduced item (d), which requests authorization of acceptance of an Amended San Francisco Bay Conservation and Development Commission (BCDC) Cease and Desist Order and the Deposit of \$50,000 in an Escrow Account as a Performance Deposit

for the Agency's obligation to remove the Pier 42 Bulkhead Building from its present location prior to December 5, 1992 in connection with Rincon Point-South Beach. In March 1984, BCDC issued a permit authorizing the Agency to develop the South Beach Harbor project which included a 700 berth marina, renovation of Pier 40 and provision of public access within 18 months of the use of any marina berth. To accommodate the marina, the Agency removed several dilapidated piers and relocated the Pier 42 Bulkhead Building along the shore line area designated for public access. The berths were opened for use in November 1986 which obligated the Agency to remove the Bulkhead Building from the public access by May 1988 resulting in BCDC initiating an enforcement action and the Agency agreed to remove the Bulkhead Building by September 20, 1989. Since that time BCDC approved six separate requests for time extensions to remove the building from its location in order to preserve the structure, the latest of which required its removal by November 24, 1991. This extension was based upon negotiations between the Agency and Hilborn Hoover Properties to purchase, renovate and relocate the building at Pier 40, however, due to current economic conditions, the Developer has requested additional time to obtain financing. At a public hearing on December 5, 1991, BCDC approved an amendment to the Cease and Desist order which would grant the Agency a one year extension to remove the building and requires the Agency to deposit \$50,000 in an escrow account by February 5, 1992. It also requires the Agency submit periodic progress reports to BCDC relative to obtaining building permits and construction contracts for either relocating or demolishing the building. Failure to meet the interim requirements would result in the imposition of civil penalties.

Mark Ryser, Foundation for San Francisco's Architectural Heritage, spoke in support of item (d).

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Helfeld indicated that staff cannot take advantage of the City's early retirement benefit provision since the Agency is not under the City's retirement system but is covered by PERS.
- (b) President Bagot inquired regarding a letter from Kevin Williams of the New Bayview Committee requesting that the opening of the CALA supermarket in the South Bayshore be delayed because it appears no residents of the Bayview/Hunters Point area are working on the project. Mr. Helfeld indicated that staff believes the project is in compliance, however, payroll information has been requested from the contractor in order to determine how many residents from the 94124 zip code area were employed in the construction crews.

- (c) Ms. Bolanos reported that on January 27 a meeting was held with the consultant for the management audit of the Yerba Buena Gardens Cultural Center. Commissioners Mardikian and Tsen, the Executive Director of the Cultural Center and Board members were in attendance. The discussions were very constructive and it is envisioned there will be some results by the end of March.

NEW BUSINESS (Continued)

- (c) Mr. Helfeld introduced item (c), which requests authorization to request the Board of Supervisors to amend the Agency's 1991-1992 budget to add \$1 million for the 24th Street Commercial Revitalization and Economic Development Program and request an amendment to the Indebtedness Limitation Agreement which will increase the Agency's annual tax allocation by \$100,000. The 24th Street Revitalization Committee, whose goal is to strengthen and stabilize the commercial activity of the 24th Street corridor and preserve its neighborhood character, submitted a request for \$2.175 million for a four-component program of commercial revitalization of the area with funding to be used for: a Community Development Investment Fund; a Facade Loan Program; a Transportation Improvement Program; and costs for administration and staffing. The Agency could not fund the proposal this year, however, because staff concurs with the Committee that immediate steps need to be taken to promote the commercial vitality of the corridor, it is proposed to request the Board of Supervisors to add \$1 million to the Agency's budget and increase the Agency's Tax Allocation by \$100,000. Upon approval, staff would work with the Committee to develop a program which provides maximum leverage. There has been significant support of the project by Ms. Bolanos and Supervisor Gonzales.

The following persons spoke in support of item (c): Supervisor Gonzales; Rosa Rivera, President, 24th Street Merchants Association; Roberto Barregan and Amelita Pasquel, MEDA.

The speakers expressed appreciation to the Commissioners, particularly Ms. Bolanos, and staff for their assistance in developing this comprehensive proposal and noted the need to proceed as soon as possible.

Ms. Bolanos thanked Supervisor Gonzales, Ms. Rivera and all those who helped develop the proposal for their support. She indicated that staff should move forward in developing a program so when the funds are available there will be no delay in proceeding and in the interim some of the sites that have been identified by the community should be looked at because they could be sold. She requested a progress report in two weeks.

In response to an inquiry from President Bagot regarding next steps, Mr. Helfeld indicated it would not be appropriate for the proposal to go before the Finance Committee until the new budget is in place and it is seen how funds will be allocated.

Minutes of a Regular Meeting, January 28, 1992

Ms. Tsen noted her support of the proposal because the Commission supports economic development activities and it is hoped to have the support of the new administration for these new endeavors. It is important staff take the lead in assisting the community and developing what is necessary for a successful program.

Mr. Kitahata indicated that although there is a need for staff to work with the community immediately, consideration should be given to a long term commitment and the possibility of a redevelopment project area.

Mr. King expressed appreciation to Supervisor Gonzales and Ms. Bolanos for their efforts.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-92 BE ADOPTED.

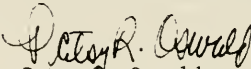
President Bagot announced that the Closed Sessions listed on the agenda would not be held.

Mr. Helfeld suggested the meeting be adjourned to call of the Chair in the event the need arises to hold a meeting on the proposed Eleventh Amendment with Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to call of the Chair. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 18, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF FEBRUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of February, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Haig G. Mardikian

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and the following was absent:

Sonia Bolanos
Gary Kitahata (Arrived at 6:15 p.m. during
the Closed Session Meeting)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ace Washington, WAPAC; Jeff Roth and Brian Healy, Natoma Neighborhood Association; Jerry Clark; Robert Fell; Bill Benton and Ron Durazo, Sixth Street Merchants Association; Melody Hoffman; Michael Chan, Asian, Inc.; and John Elberling, Tenants and Owners Development Corporation.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of January, 14, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Bagot noted that staff has moved ahead with making contact with the new administration. He suggested a letter be written to the Mayor indicating the Commissioners would be pleased to meet with him to discuss the Agency's program and requested staff arrange to have slides available on non-profit housing and information on jobs that have become available through Agency related activities for the meeting. In a few months time there will be discussions with the Board of Supervisors on the Agency's future and a presentation package of the Agency's accomplishments which benefit the City would be useful.

Minutes of a Regular Meeting, February 4, 1992

Mr. King noted his opposition to President Bagot's suggestion because he believes it is too early to request a meeting with the Mayor.

- (b) President Bagot noted his concern regarding reports that SB-593, which places \$450 million in funds for low income housing on the ballot in June 1992, would not even get off the Assembly floor, even in the amount of \$325 million. He urged letters of protest be written to Assembly representatives.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It is requested that an item be added to the Regular Agenda regarding travel by the Deputy Executive Director for Finance to New York to represent the Agency in a bond transaction.
- (b) On January 28, 1992, the CALA/ABC market held their Grand Opening ceremonies at 345 Williams Avenue. The Mayor and several Agency Commissioners were in attendance.
- (c) The Budget Analyst's (Harvey Rose) audit of the Agency was released on February 3 and the Commissioners have been provided with several newspaper articles on this subject. Mr. Helfeld noted that he was at a disadvantage when he received calls from the newspapers because he had not yet received a copy of the report which included a transmittal letter in which Mr. Rose took issue with the Agency's response. It implied the audit findings had been taken lightly, which is not the case.
- (d) A first downpayment of \$1.2 million plus advance interest has been received from Olympia and York which will assist in proceeding with Yerba Buena Gardens.
- (e) There will be a presentation on the Agency's proposed 1992-1993 budget today and at the February 11 and 18 meetings, at which staff will continue to respond to the Commissioners and the public as issues are raised.
- (f) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.

Ray Jones, UEDC, reported that there have been two recent community meetings on franchise opportunities and it is planned to hold a series of workshops on this subject. In addition, a new entrepreneurial training program started on January 29 and, to date, twenty-two individuals have enrolled.

In response to an inquiry from President Bagot, Mr. Jones indicated that the end result will be that the participants will have a business plan and be informed on what is needed to go into

business. Information will also be provided on the availability of franchise opportunities to which financial institutions appear to be receptive.

President Bagot requested that the Commission be provided with a report on the results of UEDC's efforts and the number of persons that proceed to go into business.

President Bagot indicated that for the future, submission of bi-weekly economic development reports would be satisfactory to the Commission and that it is not necessary for UEDC representatives to attend Agency meetings unless requested.

- (g) The Commissioners have been provided with the San Francisco Redevelopment Newsletter, Winter, 1992, prepared by Wes Willoughby, which focuses on the creation jobs by Agency related activities in construction which is important to the City in this time of economic recession, as well as other issues.

REPORT OF THE PRESIDENT (Continued)

- (c) President Bagot noted his concern at the manner in which the audit of the Agency by the Budget Analyst was released which caused a negative impact. It notes that the Agency should report more closely to the Board of Supervisors, staffing should be examined, there is need for more clarity in economic development, and suggests consideration be given to a "pay as you go" method of funding in conjunction with the use of tax increment bonds.

Mr. Helfeld responded to questions from President Bagot regarding the audit and indicated he did not believe it contains criticism of the substance of the Agency's program, but raises questions and recommendations on how it is carried out. Substantive recommendations have been made in the report which will be examined.

Mr. Mardikian indicated that the report did the Agency and the City a service by explaining the difference between San Francisco being a city in one as opposed to the situation that exists in most other communities where cities and counties are separate. In situations where cities and counties are separate there is a built-in advocate for use of tax increment within those cities and in San Francisco that advocate does not exist. It raises a policy question which would result in a policy decision by the Mayor and Board of Supervisors which the Agency would carry out.

- (d) President Bagot indicated that Mayor Jordan appeared on Annie Chung's San Francisco Visions Report. Ms. Chung noted the importance of the \$2 million in Agency funding for economic development in Chinatown and the great job the Agency has done in assisting the community. The Mayor concurred with Ms. Chung's comments and indicated the Agency has an important role to play in assisting minority and low income communities with economic revitalization.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding matters pertaining to the Western Addition and noted his concern at the lack of community outreach by the Agency.

NEW BUSINESS

- (a) Jack Robertson, Housing Development Specialist, introduced item (a), which is a workshop for a presentation of proposals by Asian, Inc. and Tenants and Owners Development Corporation (TODCO/GP) for the development of affordable housing at 6th and Minna Streets in the South of Market. The site was acquired by the Agency as part of its South of Market earthquake replacement housing program and two responses were received to a Request for Qualifications issued on January 16, 1992. The Asian, Inc. proposal is for a 68 unit development consisting of: 48 single-room occupancy (SRO) units in an eight-story building along Mission Street and 20 three-bedroom apartments along Minna Street. The TODCO/GP proposal is for a 124-168 unit development consisting of: 118-158 SRO units in two buildings along 6th and Mission Street and 6-10 apartment units along Minna Street. The deadlines for Low-Income Housing Tax Credits and the State Rental Housing Construction Program are March 13 and March 20 respectively and, in order to permit time for the developer to apply for financing, it is tentatively proposed that selection of a developer be scheduled for the February 11 meeting. Both proposals have been reviewed by the Project Area's Citizen Advisory Committee, the South of Market Problem Solving Council, who are in attendance at this workshop.

Michael Chan made a presentation of the Asian, Inc. proposal and John Elberling made a presentation on the TODCO proposal.

Jeff Roth, Natoma Neighborhood Association, gave a video presentation showing neighborhood children living and playing in the area, which supports his view that there should be more family units in the area.

The following persons spoke regarding item (a): Jeff Roth, Natoma Neighborhood Association; Jerry Clark; Robert Fell; Bill Benton and Ron Durazo, Sixth Street Merchants Association; and Melody Hoffman.

In response to comments by several speakers regarding 1000 Howard Street, Mr. Chan indicated that the building was rehabilitated by a private owner and it is not owned by Asian, Inc. who only assisted the owner in terms of management.

In response to an inquiry from President Bagot, William Rumpf, Chief, Housing Production and Management, indicated that the financing sources do not have a Section 8 rent subsidy and rents will be set at levels that are competitive with the program. If the rent is set at a certain level and a person's income is not

sufficient to pay that amount then they would not be accepted. The Agency will require affirmative marketing and non-discrimination but the sponsor will need to set reasonable rules for rents in accordance with the standard of affordability for the project.

Mr. Elberling noted that TODCO is proposing a family rent which is below normal for this type of financing and much less in comparison to other projects. It is proposed to rent the two-bedroom units for \$250 per month.

President Bagot indicated that TODCO deserves a lot of credit for the work it has done with community organizations. It is not known yet which developer will be selected to develop this site, however, there are many non-profit developers who will be given an opportunity in the future to submit proposals to develop other sites for low income housing.

Ms. Tsen noted that this is going to be a difficult decision because of the impact it will have on the neighborhood and it is suggested the Commissioners go and look at the site before making a final judgement. She noted her concern that sufficient information had not been received on the proposals at the workshop. It is important to have a conceptual design to see how the family units are going to interface with SRO's and how they can be combined in terms of management and the target population. Information is needed on the resident selection process, rent levels and income levels. There are funding application deadlines for Low-Income Tax Credits and the State Rental Housing Construction Program funds and staff needs to look carefully at the proposals to see which is most likely to qualify for funding.

Mr. Mardikian noted that the Agency is fortunate to have received proposals from these two non-profits, both of whom are highly qualified.

In response to a suggestion from President Bagot that the new Director of the Mayor's Office of Housing and Community Development (MOHCD) be sent information on the project, Mr. Helfeld indicated that the new Director, Mr. Dienstfrey, would not take up his duties at MOHCD until February 10 and, because of funding application deadlines, staff hopes to make a developer selection recommendation at the February 11 meeting. However, a meeting is scheduled with Mr. Dienstfrey for February 7 and he will be provided with information on the project at that time.

In response to an inquiry from Ms. Tsen regarding the Agency's obligation under the South of Market Redevelopment Plan, Michael Kaplan, Project Coordinator, South of Market, indicated he believes that the Agency's obligation is moral rather than legal. When the Plan was adopted it was indicated the Agency would replace as many housing units lost in the October 1989 earthquake as possible. A number of potential sites were immediately identified in the project area which could

accommodate family and SRO units. The Agency's "Report on the Plan" indicated that it is proposed to provide 500 rehabilitated or new SRO units and provide 500 new family units during the ten year life time of the Plan. Although a number of sites have been identified for housing, both for acquisition and rehabilitation of SRO's, there are budget constraints as well as constraints in the current Redevelopment Plan which preclude the Agency requesting or requiring Owner Participation Agreements (OPA) of owners of particular sites. Staff is currently proposing to amend the Plan to include OPA requirements.

Ms. Tsen indicated that if schematic drawings are not available at this time she questions if the applications can be completed by the funding deadlines. She noted that it is important to see how the family units will mix with the and SRO units and she did not know how the submissions could be judged without schematics or at least sketches.

Mr. Rumpf indicated the sponsors have submitted preliminary drawings which will be analyzed by staff.

President Bagot indicated that items 6 (c), (d) and Matters not Appearing on the Agenda would now be considered.

- (c) Mr. Helfeld introduced item (c), which requests authorization to amend Resolution No. 240-91 to modify the parameter of the Original Issue Discount for 1992 General Obligation Notes from 1 percent to 4 percent in connection with Yerba Buena Center. In December 1992 when the \$30 million general obligation bond issue was approved to support the construction of Central Block 2 (CB-2) in Yerba Buena Center, one of the parameters permitted an original issue discount of 1 percent on the bonds. During the course of marketing the bonds it became clear that a higher original issue discount will make the issue more attractive to potential bond purchasers. Since the effective yield of the bonds is determined by the market regardless of the original issue discount, this is merely a technical change and the proposed parameter of 4 percent is higher than it is expected will be necessary. However, it gives staff leverage to adapt to market changes as the actual sale of the debt approaches.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Inducement Resolution expressing the Agency's intent to issue mortgage revenue bonds or notes to finance residential and commercial facilities for redevelopment purposes in connection with Glenridge Apartments, formerly Diamond Heights Redevelopment Project Area. Agency assistance has been requested by the residents in financing the acquisition and rehabilitation of Glenridge Apartments, a 275 unit project, for which purpose it is proposed to issue up to \$20 million in tax exempt mortgage revenue bonds. The first step is adoption of an inducement resolution, which does not obligate the Agency to issue the bonds

but only expresses its intention, is to establish the date by which expenditures for the project costs will be eligible for reimbursement through bond financing. Issuance of the bonds will be subject to negotiation of financing terms and all the conditions normally involved in the issuance of bonds for project financing. It is anticipated the property will be acquired by March 31, 1992 and that the bonds will be issued in the summer of 1992. A \$75,000 Agency grant to the San Francisco Affordable Housing Preservation Association for predevelopment expenses related to the project, was subsequently increased to \$185,655 and in January 1992 the residents submitted a Plan of Action required under the Emergency Low Income Housing Preservation Act of 1987 for transfer of the property to the residents.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that this is a HUD at-risk project and it is anticipated the bonds will be issued in the summer of 1992. By approving the inducement resolution, all costs that would normally be eligible under a bond issue become eligible as of this date. This is not a final action and staff will request Commission approval of the bond issue at a future date.

In response to an inquiry from President Bagot, Carol Anderson, Housing Development Specialist, indicated that this financing is being done under the Emergency Low Income Preservation Act of 1987. Glenridge submitted a Plan of Action to HUD which has to be approved before these bonds can be sold. The Plan of Action has a detailed financing plan and after that is approved, staff will review the plan and negotiate the bond deal.

President Bagot indicated that staff should explain the circumstances of the bond issue clearly to the Commission because they will be requested to approve the bonds eventually.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-92 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization for Robert Gamble, Deputy Executive Director of Finance, to travel to New York, February 10-12, 1992, at a cost not to exceed \$1,600 for refinancing of the 1988 Moscone Bonds in connection with Yerba Buena Center. During the past nine months, the Agency has been working towards this bond refinancing which has the potential to generate \$6 to \$8 million for the Agency and City. The Agency's financial advisor and underwriter has advised that the pricing of debt of this size and complexity could best be accomplished in New York, particularly since the bonds are being sold uninsured. The travel costs incurred will be reimbursed from the proceeds of the bond issue.

This is not an agenda item and pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, JANUARY 31, 1992.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Tsen indicated that she had attended a meeting with the Mayor on the budget and he indicated that the new administration is looking at every possible means of balancing the budget. She suggested a meeting be held with the new Budget Director to explain the Agency's mission and budget.

NEW BUSINESS (Continued)

- (b) President Bagot indicated due to time constraints, item (b), a presentation on the first draft of the Agency's 1992-1993 budget, would not be held. There will be public hearings on the budget at the February 11 and 18 meetings.

President Bagot announced that there would be four Closed Session items.

The first item is pursuant to Government Code Section 54956.8 on Real Property Negotiations. The property is located on Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

The second item is pursuant to Government Code Section 54957 on Personnel.

The third item is pursuant to Government Code Section 54956.9(b) regarding Threatened Litigation. The parties threatening to initiate litigation are Ong Landscaping, Inc. and Artistic Tiling Co. and Stolte, Inc.

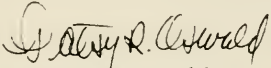
The fourth item is pursuant to Government Code Section 54956.9(a) regarding litigation. The name of the case is Ron Macrae vs. Redevelopment Agency of the City and County of San Francisco.

Minutes of a Regular Meeting, February 4, 1992

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Personnel, Threatened Litigation and Litigation. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 25, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF FEBRUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 11th day of February, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ray Jones and Inno Ekeh, Urban Economic Development Corporation (UEDC); John Elberling, Clio Tarazi and Bill Sorro, Tenants and Owners Development Corporation (TODCO); Michael Chan, Asian, Inc.; Jeff Roth, Natoma Neighborhood Association; Dino Di Donato, South of Market Problem Solving Council (SOMPSC); Eddie Stiel, Rahdi Taylor and Fred Le Feure, San Francisco Coalition for Low Income Housing; and Rene Casenave, Council of Community Housing Organizations.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of January 21, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Special Meeting of the Redevelopment Financing Authority of January 21, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Bagot indicated that on February 10 he met with Ted Dienstfrey, the new Director of the Mayor's Office Housing and Community Development, who appeared receptive to the Agency's program.

- (b) President Bagot indicated that a meeting is scheduled for February 12 with Kent Sims, Director, Mayor's Office of Planning and Economic Development.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a copy of the Forward Calendar which indicates the major issues that will be before the Commission between now and the end of March.
- (b) The Commissioners have been provided with an informational memorandum on the Legislative Action Program which is fundamental to the future of the Agency and relates to a State law that was passed in 1986 requiring redevelopment agencies to modify plans to specify the aggregate amount of tax increment to be drawn from each project area. Plan Amendments for the Golden Gateway, the South of Market, the Western Addition, Yerba Buena Center, Rincon Point-South Beach and a fiscal merger of all projects are involved. It is emphasized that in terms of where the Agency is going and its ability to carry out significant housing and economic development programs, these actions are of some consequence. A meeting is scheduled next week with Budget Director Kent Sims to review the program which will be brought before the Commission for action and adoption in the near future.
- (c) Mr. King indicated that it was his understanding that Economic Development Status Reports were now to be made bi-weekly. President Bagot indicated that this understanding was correct, however, he had requested representatives of Urban Economic Development Corporation (UEDC) attend the meeting because he has questions regarding several loans.

Ray Jones and Inno Ekeh, UEDC, responded to questions from President Bagot regarding the status of various loans for businesses in the Fillmore Center.

REPORT OF THE PRESIDENT (Continued)

- (c) In response to an inquiry from President Bagot, Mr. Helfeld indicated that a package of Agency meeting material is sent to several individuals in the Mayor's Office.

NEW BUSINESS

- (a) Public Hearing to hear all persons interest in "A Resolution of Intention to establish a Community Facilities District and to authorize the Levy of Special Taxes pursuant to the Mello Roos Community Facilities Act of 1982 (Yerba Buena Gardens)"; Yerba Buena Center.
- (b) Public Hearing to hear all persons interested in "A Resolution of Intention to incur Bonded Indebtedness of the proposed

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 4 (Yerba Buena Gardens)
pursuant to the Mello Roos Community Facilities Act of 1982"; Yerba Buena Center.

President Bagot opened the Public Hearings to hear all persons interested in these matters.

Robert Firehock, Deputy General Counsel, introduced item (a), which relates to the Resolution of Intention to establish a Community Facilities District and levy taxes pursuant to the Mello Roos Community Facilities Act of 1982 and item (b), which relates to the Resolution of Intention to incur bonded indebtedness related to that District. A major element of negotiations with Olympia & York over the past eighteen months related to a transaction in which the Agency would convey land in exchange for Olympia & York's agreement to the establishment of a Community Facilities District and the levy of a special tax pursuant to the Mello Roos Community Facilities Act of 1982. In the Eleventh Amendment to the Restated and Amended Disposition and Development Agreement (DDA), which includes a revised installment payment plan for the Central Block 1 Office Parcel, the possibility has been preserved of reaching agreement on such a transaction at a future time. In the past when the Agency and the Developer failed to reach agreement, the statutory procedure necessary for the establishment of a Community Facilities District was abandoned in midstream. We are again at a point between publication of notice and hearing dates for these two public hearings and it is proposed to proceed with the public hearings in order to suspend the process at a convenient time. In the event such a transaction occurs in the future, this will eliminate the time and expense of renoticing and holding these hearings and shorten the overall time necessary to implement a District.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a First Amendment to the Agreement for Professional Services, which increases the contract amount and extends the term, with Environmental Science Associates, Inc. (ESA) in connection with the South of Market. Since authorization of the agreement in July 1991, ESA completed negative declarations and a transportation study for the three proposed housing development sites which were submitted to the City Planning Department for review and approval. However, the transportation study was found to be incomplete and additional funds are necessary to complete the requested revisions and modifications to the study. The proposed amendment increases the amount payable by \$3,300 for a total contract amount of \$44,300. Due to the continuing economic recession, ESA has reduced staffing and has not been in a position to hire additional employees. During the six month period examined, staff was reduced but overall minority and women representation has increased from 57.9 to 62.9 percent and ESA

has filled most of their vacancies with minority applicants. Therefore, the affirmative action efforts of ESA are found to be acceptable.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-92 BE ADOPTED.

- (d) Jack Robertson, Housing Development Specialist, introduced item (d), which requests authorization of Exclusive Negotiations with Tenants and Owners Development Corporation (TODCO) for the development of affordable rental housing 6th and Minna Streets in the South of Market. Staff has evaluated the qualifications presented by Asian, Inc. and TODCO at a workshop held on February 4, 1992 for a project comprised of SRO and family units and recommends entering into exclusive negotiations with TODCO. The Asian, Inc. proposal calls for 48 SRO units along Mission Street and 26 family units along Minna Street. The TODCO proposal calls for 118-158 SRO units on Mission Street and 6-10 family units along Minna Street. The criteria used to evaluate the submittals was based upon: the Developer's development track record; property management and design experience; identification of MBE/WBE's to be included in the development team; financial leveraging; community support and current involvement with the South of Market community; and financial feasibility. At the February 4 workshop the Commissioners expressed a preference for selecting a developer who could submit the most competitive project application to State financing programs in March. In response to this concern, staff believes that the most competitive application would include only the family component during this financing cycle and would propose that the project be developed in at least two phases, with the first phase being comprised of family units. An SRO component would currently be less competitive because it would require discretionary use approvals from City Planning which could not be obtained by the financing application dates. It is proposed that approval of exclusive negotiations with TODCO be conditioned upon: revision of the site plan to locate the family units on the Mission Street side of the property to allow more flexibility in design and construction of the second SRO phase; revision of the financial analysis to eliminate the \$100,000 budget gap it assumes to be covered with Agency funds, since the Agency is already providing free land; and that TODCO obtain a 50 percent financing commitment from a conventional lender rather than rely on the Agency or City to provide a financing commitment letter for the tax credit and Rental Housing Construction Program applications. Upon approval of the exclusive negotiations, it will be necessary to authorize a development agreement providing for site control to TODCO no later than March 10, 1992 in order to meet State funding deadlines.

The following persons spoke regarding item (d): John Elberling Clio Tarazi and Bill Sorro, TODCO; Michael Chan, Asian, Inc.; Jeff Roth, Natoma Neighborhood Association; and Dino Di Donato, South of Market Problem Solving Council (SOMPSC);

Minutes of a Regular Meeting, February 11, 1992

Mr. Elberling explained that the gap financing of \$100,000 would be provided by parking revenues derived from 26 of the 36 parking spaces that will remain on the Phase II/III portion of the site. Ten of the spaces will be allocated to the family housing tenants use at no charge. He noted the reasons it is preferred that the family housing be on Minna, rather than Mission which involves design issues and that with the doors of the units fronting on Mission children would be exposed to traffic hazards.

Ms. Tarazi indicated that TODCO has contacted the Bank of America and Wells Fargo, both of whom indicated positive responses to issuing a commitment letter acceptable to the Tax Credit Allocation Committee for 50 percent of the financing

Mr. Chan noted that essentially staff has concluded that both projects could be economically developed and indicated he believed the Asian, Inc. proposal of 26 family units along Minna Street and a 48 unit SRO on Mission Street brings balance to the area and to the site. Three minority banks have been contacted regarding the possibility of providing financing for the project.

Mr. Roth noted his preference for family housing and that there is a need to bring outside developers into the area. He indicated that there has not been sufficient community outreach and that the TODCO project does not have full community support.

Mr. Di Donato indicated that on the subject of community outreach, discussion on the project has been publicized and many meetings held that have been well attended. Mr. Roth has attended a number of the meetings and given an opportunity to comment. There is a need for family housing but there is also a need for balance in the area. There is a large population of single low income adults who find it difficult to find housing.

Mr. Sorro indicated that there is a community consensus in favor of the TODCO proposal which is supported by a petition of approximately 1000 signatures.

Ms. Tsen noted her preference for family units on Minna, rather than Mission because of traffic and indicated that this is a difficult site for anyone to develop. She questioned whether it is critical because of financing to make a decision or whether consideration should be given to delaying the matter until there is certainty on the acquisition of two adjacent sites which would make it easier to develop.

Mr. Robertson indicated that staff believes it is critical to make a decision because of the financing. The Tax Credits will probably still be here but this is the last round for the RHCP component.

Ms. Tsen said she wanted to be assured that it is imperative to proceed with awarding the site at this time even though there are some design questions that have not been addressed. Issues were raised last week such as: how are the family and SRO units going

to interface, how are they going to share parking and open space, security, resident selection, target population and how the project will managed

Mr. Kitahata noted his inclination to favor the Asian, Inc. proposal because they have a greater proportion of family units and, although it is fortunate to have TODCO in the area, there is a need to have a diversity of developers in the area.

Mr. Mardikian noted that the Asian, Inc. proposal has a lower subsidy and is asking for less public money.

Michael Kaplan, Project Coordinator, South of Market, noted that the objectives of the South of Market Redevelopment Plan are to produce upwards of 500 family units in the project area. The Agency is currently constrained in its efforts to negotiate and acquire properties because of limitations on owner participation and eminent domain. Staff is currently proposing to amend the Plan to include Owner Participation Agreement requirements.

Mr. Mardikian inquired if the number of units TODCO is proposing to develop depends on acquiring two adjacent sites to which Mr. Robertson indicated affirmatively.

In response to an inquiry from Mr. Mardikian, Mr. Di Donato indicated that the SOMPSC has not taken a position on a developer because it goes by consensus, however, the Council was in general agreement for SRO units to be developed on the site.

Mr. King noted his preference to have more developers working in the area and not just one particular developer.

In response to an inquiry from Ms. Tsen, Mr. Robertson indicated that this is the only site presently being considered for SRO construction, but a Notice of Funding Availability has been issued to non-profits to acquire existing SRO's and rehabilitate them.

President Bagot noted his support of staff recommendation because this is the right place to have a higher concentration of SRO's and there will be opportunities to develop family housing on other sites.

An extensive discussion ensued between the Commissioners and staff, following which, Ms. Tsen made the following motion for discussion purposes:

MOTION: IT WAS MOVED BY MS. TSEN TO ACCEPT STAFF RECOMMENDATION UPON THE CONDITION THAT IN THE EVENT TODCO IS NOT SUCCESSFUL IN SECURING TAX CREDITS AND RHCP FUNDING RESERVATIONS THAT THE EXCLUSIVE NEGOTIATIONS BE TERMINATED AND THE SITE WILL REVERT TO THE AGENCY, AT WHICH TIME NEW PROPOSALS WILL BE CONSIDERED.

Mr. Mardikian indicated that earlier he had believed this was a motion he could second, however, after further discussion he withdrew his vote.

THE PRESIDENT DECLARED THAT THE MOTION FAILED DUE TO LACK OF A SECOND.

Following further discussion, the following motion was made:

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED WITH PRESIDENT BAGOT OPPOSING, THAT THE AGENCY ENTER INTO EXCLUSIVE NEGOTIATIONS WITH ASIAN, INC. IN ADDITION IT IS PROVIDED THAT THE EXCLUSIVE NEGOTIATIONS WILL TERMINATE ON THE EARLIER OF: (1) JULY 1, 1992; (2) THE DATE ON WHICH THE DEVELOPER'S APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS IS REJECTED BY THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE; OR (3) THE DATE ON WHICH THE DEVELOPER'S APPLICATION FOR RENTAL HOUSING CONSTRUCTION PROGRAM FUNDS IS REJECTED BY THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, UNLESS EXTENDED BY THIS COMMISSION.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH PRESIDENT BAGOT OPPOSING, THAT RESOLUTION NO. 28-92 BE ADOPTED.

Mr. Di Donato requested that it be a requirement that Asian, Inc. participate in the planning processes set forth by the SOMPSC and its Housing Task Force and President Bagot indicated the Commission would encourage the developer to have community participation. Mr. Chan indicated that Asian, Inc. had held several community workshops and is willing to work with the Council.

- (e) Mr. Helfeld introduced item (e), which is a presentation of the Agency's proposed 1992-1993 budget. The proposed budget includes: expenditures of \$119.227 million; revenues of \$57,772,000; and requires tax increment bond proceeds of \$61,455,000. The largest tax increment-supported expenditure categories are Yerba Buena Center with \$38 million and affordable housing with \$15.8 million. Additional tax increment of \$6,065,000 would be required to support the proposed budget, of which \$4,852,000 would be drawn from the City's General Fund. This would increase the total from the General Fund from \$7.8 million to \$13.9 million. As a major portion of tax increment being requested, Yerba Buena Center represents approximately 62 percent, or \$38 million, for paying off the Fuji debt as required by July 1993 and the cost of completing the capital program underway on Central Block 2 and related project administrative costs. The Rincon Point-South Beach budget includes revenues and expenditures of \$16 million. The budget also provides \$9.1 million for City-wide housing and \$7.6 for economic development. There are a number of new endeavors which may be undertaken during the forthcoming budget year but funding resources are uncertain at this time. Staffing costs are calculated at the current staffing level and include the deferred

salary increase plus a 5 percent increase for the forthcoming year. A revised organizational chart is being prepared and will be presented to the Commission prior to submission of the budget to the Mayor. A further hearing on the proposed budget will be held at the February 18 meeting.

The following persons spoke regarding item (e): Eddie Stiel, San Francisco Coalition for Low Income Housing; and Rene Casenave, Council of Community Organizations.

Mr. Stiel noted that the Coalition works with tenants who live in at-risk HUD subsidized buildings throughout the City. Last year the Commission budgeted \$1.8 million for predevelopment expenses and for acquisition costs for those developments and estimated that for next year there would be \$2 million which has now been cut to \$1.1 million. It is requested the original budget amount be reinstated because there is a real threat these units are going to be lost and there will be a lot more people out on the streets.

William Rumpf, Chief, Housing Management and Production, indicated that Mr. Stiel has brought up the position HUD is taking that rather than providing Section 8 funding up to 120 percent of fair market rent, they are proposing Section 8 funding of up to 100 percent for the at-risk units. The funding recommended in the budget for next year is lower because two projects are not moving as fast as anticipated. Based upon when the projects prepay, \$1.1 million is safe for the next twelve months.

President Bagot indicated that it is Mr. Stiel's responsibility to inform the Mayor's Office and Board of Supervisors of his concerns and that he should keep staff advised of developments.

Mr. Casenave requested that cuts not be made in affordable and at-risk housing and economic development. He suggested the funding for Yerba Buena Center be closely scrutinized and suggested that the \$2.8 million from Marriott revenues set aside for the Cultural Center be used for other purposes.

Mr. Helfeld indicated that Marriott monies can only be used for the Yerba Buena Gardens and Cultural Center.

Mr. Mardikian requested that for clarification purposes, staff provide information to the Commission and the public on the disbursement of Marriott funds.

In response to an inquiry from Ms. Tsen, Mr. Casenave indicated that there is a significant need for both rental and homeownership units and it depends on which is supported by an individual community.

Mr. Kitahata noted that a strategic plan of the Agency's direction is important. The Agency's efforts need to be balanced and directed towards revenue generating projects as well as other

Minutes of a Regular Meeting, February 11, 1992

activities. The Agency should create a new position of Director of Special Projects.

Further discussion ensued between the Commissioners, staff and the public regarding the Agency's 1992-1993 budget.

President Bagot announced that there would be three Closed Session items.

The first item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Renaissance Associates.

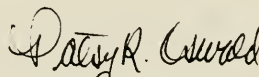
The second item is pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The parties threatening to initiate litigation are Ong Landscaping, Inc., Artist Tiling Co., and Stolte, Inc.

The third item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation and Personnel. The meeting adjourned at 7:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 3, 1992

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SAN FRANCISCO
COUNTY OFFICE

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF FEBRUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 18th day of February, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Leroy King
Gary Kitahata
Haig G. Mardikian

and the following were absent:

V. Fei Tsen, President
Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Mel Lee, President, Yerba Buena Gardens Cultural Board; Phil Klasky, Helen McIntosh, Dick Wilson, Esther Fjellhaug and Mary Saunders, Yerba Buena Consortium; Tom McKnight, Sixth Street Merchants and Residents Association; Robert Spear, PADS, BANG & WAPC; Margaret Verges, PAACN & CSFN; Jose Lorenzo, Yerba Buena Garden Center; Robert Barragan, Mission Economic Development Association; Maria Gonzales, representing Local 790; Ace Washington, WAPAC; Barbara Meskunas, Beideman Area Neighborhood Group; Ray Jones, Urban Economic Development Corporation; Alvin Norman; Lefty Gordon and Richard Brown, Ella Hill Hutch Community Center; Harold B. Brooks, Jr.; Sue Hestor, Friends of the Gardens; John Millhous and Ken Wemer, Roebbelen Construction; Francine McKinney, San Francisco Housing Development Corporation; and Rob Baker, Center for the Arts.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of January 28, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Special Meeting of January 23, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of January 21, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of February 4, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is an additional item to be added to the Agency regarding General Obligation Notes for Yerba Buena Center.
- (b) The Agency meeting of February 25 will be held at the ILWU Building, 4 Berry Street. The focus will be on the Rincon Point-South Beach Redevelopment Project Area and will include the Biennial Public Hearing and Report for that area. In addition, a public hearing will be held on the proposed Amendment to the Rincon Point-South Beach Redevelopment Plan.
- (c) Staff met with Kent Sims of the Mayor's Office of Economic Planning and Development to review the status of the Agency's bonding capacity as outlined in staff memorandum dated February 7, 1992 on the Legislative Action Program. Mr. Sims was receptive to all items except the proposed Golden Gateway Plan Amendment.

President Bagot reported that he too had met with Mr. Sims who appeared to be receptive to the Agency's program and responded positively to all items discussed. He requested information on the Agency's ability to leverage State and Federal funds for rental and homeownership housing projects.

NEW BUSINESS

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests approval of the proposed Agency Budget for the period July 1, 1992 through June 30, 1993 and authorization to submit it to the Mayor and Board of Supervisors of the City and County of San Francisco. The proposed changes from the previous draft budget include changes in personnel by eliminating five positions, including two Assistant Project Coordinators, and three as yet unspecified clerical positions. A Community Liaison Officer position is added. The total savings from the reduction in personnel will result in a savings of \$231,000. The narratives for the project areas have been modified to focus more clearly on how budgeted resources create achievement of objectives. Additional comparisons between the current fiscal year and the budget year are provided on pages 2 and 4. \$70,000 has been added to the Western Addition Project Area budget for contractual services with the San Francisco

Minutes of a Regular Meeting, February 18, 1992

Housing Development Corporation which was inadvertently omitted from the earlier draft.

The following persons spoke regarding item (a): Mel Lee, President, Yerba Buena Gardens Cultural Board; Phil Klasky, Helen McIntosh, Dick Wilson, Esther Fjellhaug and Mary Saunders, Yerba Buena Consortium; Tom McKnight, Sixth Street Merchants and Residents Association; Robert Spear, PADS, BANG & WAPC; Margaret Verges, PAACN & CSFN; Jose Lorenzo, Yerba Buena Garden Center; Roberto Barragan, Mission Economic Development Association; Maria Gonzales, representing Local 790; Ace Washington, WAPAC; Barbara Meskunas, Beideman Area Neighborhood Group; Ray Jones, Urban Economic Development Corporation; Alvin Norman; Lefty Gordon and Richard Brown, Ella Hill Hutch Community Center; and Harold B. Brooks, Jr.

Mr. Lee introduced members of the Yerba Buena Gardens Cultural Board.

The representatives from the Yerba Buena Consortium noted the need for a supermarket at Fourth and Harrison Streets in Yerba Buena Center.

Mr. Spear requested information regarding a number of items pertaining to the Western Addition, which Mr. Helfeld indicated should be discussed with Agency staff members Byron Rhett and Shirley Wysinger.

Mr. Barragan gave a status report on MEDA's program in the South of Market.

A number of the speakers noted their concern at the inequity of the proposed staff reductions and that the positions to be eliminated should be those that duplicate City services, not Assistant Project Coordinators and clerical. In addition, concern was expressed by several speakers relative to the elimination of the position of Assistant Project Coordinator for the Western Addition A-2/Hunters Point/India Basin held by Shirley Wysinger who has the respect and support of the community.

Ms. Gonzales noted that Local 790 is opposed to the budget as presented because of inequities in staff reductions and a protest will be made to the Board of Supervisors.

President Bagot indicated that he plans to hold the Agency meetings in the community as frequently as possible. He requested staff respond to letters received from community organizations and Supervisor Kennedy regarding the budget.

Mr. King noted his opposition to the proposed personnel changes because staffing needs to be reviewed on an overall basis.

Following an extensive discussion between the Commissioners, staff and the public, it was the consensus of the Commission that the budget be transmitted to the Mayor's Office without the

proposed personnel changes with the understanding that there will be further discussions on this subject and a recommendation will be forthcoming in the near future.

Mr. Kitahata requested that funds to develop a strategic plan be requested in the current year's budget and at the same time \$150,000 be added to the 1992-1993 budget for that purpose.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-92, AS AMENDED, BE ADOPTED.

- (b) William Carney, Senior Staff Architect, introduced item (b), which requests authorization of a contract in an amount of \$23.746 million with Stolte, a division of Green International, for construction of the Esplanade in Yerba Buena Center. Stolte's bid for the base contract and alternates is the low bid of four bids received on December 17, 1991. The contract provides for construction of all elements of the approved Esplanade design, including the structural support and exiting required along the project's western edge to accommodate future retail/entertainment development. Even with the west edge work, which was not in the original program, the bid results allow the Esplanade to be completed within the \$87.6 million originally budgeted for Yerba Buena Gardens. After extensive efforts, Stolte has achieved an acceptable affirmative action program. Award of the contract at this time will permit construction to begin on portions of the Moscone Convention Center roof and take advantage of the current competitive bidding climate. The source of funds includes payments previously received from the sale of the Central Block 1 Office Parcel to Olympia & York and funds from general obligation bonds issued by the Agency.

Joseph Lejarza, Acting Affirmative Action Officer, reported on Stolte's affirmative action program.

The following persons spoke regarding item (b): John Milhous, Roebbelen Construction; Sue Hestor, Friends of the Gardens; and Alvin Norman.

Mr. Milhous protested the award of the contract to Stolte and requested the contract be re-bid.

Mr. Norman indicated that Mr. Milhous raised some legitimate issues and the contract should be put out to bid again.

Ms. Hestor noted her concerns regarding project costs and the amount of the Stolte contract.

In response to an inquiry from Ms. Hestor, Mr. Carney indicated that the trees that are being planted now will not need to be removed when construction starts.

Jennifer Bell, Deputy Agency Counsel, indicated that all actions the Agency has taken are legal.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-92 BE ADOPTED.

President Bagot announced that there would be a brief recess. The meeting recessed at 7:40 p.m. and reconvened at 7:50 p.m. with the same roll call.

- (c) Edmund Ong, Chief of Architecture, introduced item (c), which requests authorization to issue Changes Orders for Yerba Buena Gardens construction contracts and to establish a procedure for keeping the Commission informed of such change orders in connection with Yerba Buena Center. This action will enable the Executive Director or his designee to issue change orders to the construction contract up to an aggregate amount of ten percent of the contract amount in order to avoid construction delays and associated potential construction costs and claims which could occur due to unforeseen field conditions. It is proposed to issue quarterly reports to the Commission describing any change orders issued and anticipated change orders. This authorization is necessary because normal Agency approval process typically involves two to three weeks which for a construction project of this size could lead to very substantial claims for delayed work and related costs. This recommended procedure is used by the Chief Administrative Officer in connection with the Moscone Center Expansion and the City Bureau of Architecture. It has also been used by the Agency in the past for major engineering architectural contracts.

Sue Hestor, Friends of the Gardens, indicated that the change orders should be reported on a weekly basis as an agenda item and therefore open to public scrutiny.

President Bagot noted that staff is trying to avoid a cumbersome process and possible delays that could cost the Agency money.

Mr. King noted his opposition because the Agency has a consultant and Turner Construction overseeing the project on its behalf.

Following an extensive discussion, it was the consensus of the Commission that staff provide monthly status reports on the change orders.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-92, AS AMENDED, BE ADOPTED.

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of payments not to exceed \$2.850 million to the Moscone Center Expansion Project for design and construction modifications to accommodate construction of the Agency's Gardens and Cultural Buildings in Yerba Buena Center. In February 1991, an initial expenditure of \$1,376,539 was authorized for this purpose and at that time the Commission was advised that approval of further payments would be sought when the costs were determined. The funds currently being requested

are based on estimates by the Agency's Construction Manager, Turner Construction, of work now underway. The \$2.850 million being requested is within the amount allocated for the Moscone Center work in the Agency's overall Central Block 2 budget of \$87.2 million and funds are available in the 1991-1992 budget items for the Yerba Buena Gardens construction and design. The incorporation of critical elements of the Agency's projects into the Moscone Center Expansion work has provided a major benefit to both the Agency and the Convention Center by eliminating the need for the Agency to demolish and reconstruct portions of the Moscone Center Expansion roof in order to accommodate the technical requirements of the gardens and cultural buildings. This constitutes a direct savings to the Agency and also reduces the potential for additional costs for construction delays due to noise of such work if the Agency had undertaken it after the Convention Center was in operation.

Sue Hestor, Friends of the Gardens, noted her concern at the funds the Agency is expending which should be borne by the Office of the Chief Administrator (CAO).

Mr. Helfeld indicated that it should be remembered that the CAO's Office has agreed to let the Agency have part of the proceeds of the 1988 bond financing.

Helen Sause, Project Director, Yerba Buena Center, indicated that many items have been negotiated and there has been reciprocity between the Agency and CAO's Office.

President Bagot requested an analysis be made of what has been contributed by the Agency and what has been contributed by the CAO's Office.

Mr. Kitahata indicated that the Agency should look into the future when the 1988 bonds are paid off and how to finance all of CB-3.

Mr. Helfeld indicated that staff will investigate the use of zero bonds to build CB-3 and assist the City with its budget deficit.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-92 BE ADOPTED.

- (e) Michele Davis, Housing Development Specialist, introduced item (e), which requests authorization of an extension of Exclusive Negotiations, until June 17, 1992, with San Francisco Housing Development Corporation (SFHDC) for Site DD-2 located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point. Exclusive negotiations were authorized in October 1991 for the development of 25-37 single family homes to be purchased by low and moderate income households. Since that approval, the developer has selected Housing Associates, a female minority-owned development consulting firm located in Berkeley to assist with the development process. A four month extension is

Minutes of a Regular Meeting, February 18, 1992

now being requested to secure a predevelopment loan to cover consultant and architectural expenses.

Francine McKinney, SFHDC, responded to questions from President Bagot regarding the project.

President Bagot indicated that he had talked extensively to Ted Dientsfrey and Kent Sims of the Mayor's Office about homeownership. He indicated he hopes SFHDC has a position on rental projects which better assists low income persons.

Mr. King noted his opposition to President Bagot's position on rentals and there is a need to go to individual communities to determine their preference.

President Bagot requested Mr. Helfeld write a letter to the Council of Community Housing Organizations (CCHO) regarding their position on homeownership versus rentals.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-92 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a) which requests authorization to covenant to a limitation on general obligation indebtedness with respect to the sale of the Agency's 1992 General Obligation Notes in connection with Yerba Buena Center. The Agency is issuing general obligation notes to provide a portion of the funds to construct the Yerba Buena Gardens project mainly because anticipated land sales proceeds have not been forthcoming. One of the purchasing bond funds has requested as a condition of its purchase that the Agency pledge not to have more than \$60 million outstanding general obligation indebtedness until the notes are repaid. However, this would not prohibit the Agency from refunding the Notes as part of a larger than \$60 million general obligation debt issue prior to maturity of the notes in 2006.

This is not an agenda item and pursuant to Government Code Section 54954.2(b) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, FEBRUARY 14, 1992.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted that different groups have requested funds from Marriott revenues but staff has indicated these funds can only be used for the Yerba Buena Gardens and the Cultural Buildings.

David Madway, Agency General Counsel, indicated that this was obviously the subject of extensive negotiations ten years ago when it was expected the gardens and cultural buildings would be completed at the same time as the hotel. Because the developer had a concern that the gardens and cultural buildings be properly maintained, it was agreed all Marriot revenues be deposited in a separate account for that purpose. Now they build up in a reserve account and it is a prudent place to have the money.

Mr. Helfeld indicated that the budget is tight and it is important to have money earmarked for the operation and maintenance of the gardens.

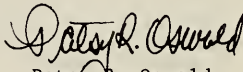
President Bagot requested a staff report on the Marriot lease revenues and permitted uses of the funds.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Renaissance Associates.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 8:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 24, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF FEBRUARY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 4 Berry Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of February, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Leroy King
Gary Kitahata
Haig G. Mardikian

and the following were absent:

Buck Bagot, President
Sonia Bolanos

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Rick Mariano, Rincon Point-South Beach Citizens Advisory Committee; Sue Bierman and John Elberling, Friends of the Gardens; Jano Oscherwitz, United Public Employees, Local 790; Jane Herzog; Pamela Tebo and M.J. Buffington, San Francisco Redevelopment Agency; and Mike Mihaly, San Francisco Police Department.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of February 11, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of February 4, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) With regard to item 6 (b), items (1) through (4), an Amendment, to the Rincon Point-South Beach Redevelopment Plan, it is requested that the public hearing be held, the item discussed, but it be continued for two weeks so that all property owners may

be notified of an additional amendment to the Redevelopment Plan regarding the extension of eminent domain power.

- (b) The next meeting out of the office will be on April 28 at the Salvation Army Building, 360 4th Street, at which time the Biennial Reports on Yerba Buena Center and South of Market will be held. It is requested that the Commissioners notify the Agency Secretary if there is a conflict with that date as State Law requires that there be three weeks prior notice of the Biennial Hearings.
- (c) The Commissioners have received an invitation to a celebration of the opening of SOMBA's new offices at 950 Seventh Street which will take place on February 27, 5:00 to 8:00 p.m.
- (d) David Madway, Agency General Counsel, indicated that the Commissioners have been advised that a property owner adjacent to the proposed Nihonmachi Parking Corporation facility in the Western Addition A-2 Project Area has sued the Agency. MacRae v. San Francisco Board of Permit Appeals, San Francisco Redevelopment Agency. The plaintiff sought relief against the City, the Agency and Nihonmachi Parking Corporation. He applied for, and was granted, a stay which temporarily prevented Nihonmachi from starting construction. On February 21, the Superior Court denied all relief to the plaintiff and removed the stay. Nihonmachi Parking Corporation has been advised they may proceed with construction. It is possible the plaintiff will appeal the decision.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Rincon Point-South Beach Redevelopment Plan; Rincon Point-South Beach.

Acting President Tsen opened the Public Hearing to hear all persons interested in this matter.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (a), which is a Biennial Public Hearing to review the review the Redevelopment Plan and evaluate the progress of the Rincon Point-South Beach Redevelopment Project Area. California Community Redevelopment law requires the Agency to hold biennial public hearings for the purpose of reviewing and evaluating the progress of the redevelopment plans for each project within its jurisdiction. The project goals for Rincon Point-South Beach consist of creation of a new waterfront residential neighborhood of mixed income housing and support commercial uses. The development objectives include: 2,500 mixed income housing units; historic preservation and commercial reuse of five historic buildings; development of two waterfront parks and two major office buildings; a 700-boat berth harbor and development of Pier 40; reconstruction of the Embarcadero roadway, including a new mass-transit line; and local street improvements.

Rick Mariano, Chair, Rincon Point-South Beach Citizens Advisory Committee (CAC) indicated that the CAC monitors projects in the area closely. Because of the BRIDGE affordable family housing project on Site K, it is important the nearby South Beach Park be children oriented and the Advisory Committee would like to see the five acres developed into an open park similar to the Marina Green, rather than the design that has gone forward. Staff has asked the designer to come back with a more open plan for the park.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-92 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the proposed Amendment to the Rincon Point-South Beach Redevelopment Plan.

Acting President Tsen opened the Public Hearing to hear all persons interested in this matter.

Thomas Conrad, Chief, Planning and Programming, introduced item (b), which requests approval of the proposed Rincon Point-South Beach Redevelopment Plan Amendment and authorization to transmit it to the City Planning Commission for its Report and Recommendation and to the Board of Supervisors for its consideration and approval. It also requests approval of the Addendum to the Report on the Redevelopment Plan and authorization to transmit it to the Board of Supervisors and approval of the proposed Amendment to the Design for Development and authorization to submit it to the City Planning Commission for its consideration and approval. Since its adoption in January 1981, the official Redevelopment Plan has been amended on two occasions. This proposed third amendment will provide greater flexibility in responding to changing economic and transportation conditions within the Rincon Point sub-area. The requested actions are necessary to proceed with the proposed Plan Amendment which activates a parallel Amendment to the Design for Development document as well as the preparation of an Addendum to the Report on the original Redevelopment Plan. The Design and Development Document outlines the design objectives and contains the development standards and urban design guidelines which apply to the Project Area and its amendment is necessary to maintain compatibility with the proposed plan Amendment. As required by California Community Redevelopment law, an Addendum to the Report on the Redevelopment Plan has been prepared to incorporate additional relevant information for consideration by the Board of Supervisors. Approval and transmittal of the proposed Plan Amendment to the City Planning Commission will initiate their review and approval of the document. Prior to ultimate adoption, public hearings must be held on the Plan Amendment by the Agency Commission and Board of Supervisors. Prior to the Board's public hearing, it is necessary for the City Planning

Commission to provide its Report on the conformity of the Plan Amendment with the City's Master Plan and its recommendation to the Board of Supervisors. It is requested that the public hearing be continued for two weeks so that all property owners may be notified of an additional amendment to the Redevelopment Plan regarding the extension of eminent domain power.

Rick Mariano, Chair, Rincon Point-South Beach Citizens Advisory Committee (CAC) indicated that the CAC recommends approval of the amendment.

There being no further persons wishing to appear in connection with this matter, the Acting President declared that the Public Hearing would be continued to March 10, 1992.

RULE OF THE CHAIR: ACTING PRESIDENT TSEN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NUMBERS 35-92, 36-92, 37-92 AND 38-92, AND THE PUBLIC HEARING WOULD BE CONTINUED TO MARCH 10, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which is a workshop for a presentation of the Program and Master Plan alternatives for Central Block 3 (CB-3) in Yerba Buena Center. At a workshop on October 29, 1991, Architect Adele Santos and Landscape Architect M. Paul Friedberg presented two alternatives for the program and master plan of the Children's uses on CB-3. One alternative presented only the original Agency program for: a child care center, an ice rink, a 'children's place', a carousel and a children's garden. The other alternative, to which the Agency has not committed, included a bowling center requested by members of the South of Market community. An estimate of \$25.2 million for improvements and a \$6 million endowment for the children's place was prepared early in 1990 by a retail economist and a cost estimator working without the benefit of the thorough investigation of the site, program and master options which have now taken place, nor did it include escalation for the time elapsed during the programming phase. It also did not include the expense of elevator access from Folsom Street which subsequently became necessary due to the need for extensive vehicular drop-off zones. Because major concern was expressed at the more recent estimated cost of approximately of \$40 million for CB-3, staff has been working with the architects and the architect's cost estimator to devise strategies for controlling project costs, while assuring the best program and highest quality of development achievable with limited Agency funds. These efforts have resulted in two CB-3 budget recommendations, both of which recommend a total program cost of \$36.1 million. The first recommendation includes the full endowment of \$6 million, but no bowling center. The second recommendation reduces the endowment to \$2.3 million, freeing \$3.7 million to pay for the capital cost of the bowling center. Following this workshop, a recommendation for the CB-3 program and master plan, including a final budget, will be calendared for consideration by the Commission.

William Carney, Senior Staff Architect, described the budget recommendations, program adjustments and bid alternatives for CB-3.

Sue Bierman, Friends of the Gardens, noted her support of including a bowling alley and of the proposal to delete the Fourth Street bridge because ground circulation all around the project is important.

Mr. King noted his support of the bowling alley and of the proposed program which is within budget.

Mr. Kitahata noted his concern that the capital budget is being focused on primarily and that there is not enough emphasis on the operating budget. He further noted his concern regarding the operator and the operating budget as it applies to CB-3 and how the operators will sustain themselves without requesting the Agency for funds.

Ms. Sause indicated that staff will be bringing proposals from operators for the childcare center and ice rink/bowling center before the Commission for consideration in the near future. It is anticipated that the ice rink will provide a revenue stream and that the bowling center will break-even.

In response to an inquiry from Mr. Kitahata, Ms. Sause indicated that she could not address the issue of incorporating some of the CB-3 uses on the CB-2 retail amusement parcel because it would be a major step back.

Mr. Helfeld indicated that staff has given careful consideration to the uses and mixing of uses on CB-3 and there may well be additional children's activities on CB-2. A proposed process to determine the optimum development of the entertainment/retail portion of CB-2 will be brought before the Commission for consideration within the next few weeks. Meetings have been held to get sense of the market place and there was a very positive meeting with a movie theater operator who would be interested in participating. A movie theater as an anchor tenant with restaurants and other retail uses is envisaged.

Ms. Tsen noted her concern regarding sources of funding for the second phase of CB-3 which includes very important elements of the overall concept of CB-3. She suggested that if the Commission is supportive of a bowling alley at a cost of \$3.7 million then that amount be added to the budget rather than being taken away from program use that was originally contemplated and staff be instructed to report to the Commission on sources of financing that would meet that budget.

Mr. Helfeld indicated that various financing alternatives are being explored for CB-3 and the Commissioners will be provided with an informational memorandum on this subject.

Mr. Mardikian indicated he is sensitive to the fact that the community would like a bowling alley but there should be more information on how it is going to sustain itself. He suggested consideration be given to designating a portion of CB-2 for a bowling center that would be larger than that proposed on CB-3 which would make it more commercially viable and attractive to a for-profit developer.

Ms. Tsen indicated that she believes the CB-3 planning is too far advanced and there is too much involved to make changes at this point in time. Staff will be bringing recommendations to the Commission within the next few weeks.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an amendment to the Agency's proposed budget to establish staffing levels for the period July 1, 1992 through June 30, 1993. The budget approved on February 18 included the same staffing levels that were included in the 1991-1992 budget. The proposed amendment would eliminate the positions of: three secretaries; one civil engineer and one development specialist, resulting in a reduction of full-time staff from 109 to 104 at an approximate savings of \$325,000 which will assist in a request from the Mayor's Office for a budget reduction. Due to the resignation of a Development Specialist and the offering of a two-year retirement incentive to the Civil Engineer, both of these reductions should be made without layoffs. Although the Budget Analyst recommended a reduction of eight secretarial positions, staff believes this is excessive and continues to propose a reduction of three positions. It is hoped through retirement incentives layoffs can be avoided in this group. Staff has revised its recommendation regarding two Assistant Project Coordinator positions and will submit justifications to the Mayor's Office for these positions. The second Community Liaison Officer position originally proposed will not be requested.
- (e) Mr. Helfeld introduced item (e), which requests authorization of an additional designated period and designated classifications for the PERS two-years additional service credit incentive. It is proposed to offer eligible employees this option as an incentive to early retirement in order to reduce Agency staff by attrition without the necessity of layoffs. It is recommended the option be offered to six secretarial/clerical classifications and to the classification of civil engineer. In order to implement a new "window period" for the service credit option, the Agency needs to certify that: the best interests of the Agency are served by granting such additional service credit; impending mandatory transfers, demotions and layoffs, constituting at least one percent of the job classification, department or organizational unit designated will result from the curtailment of or change in the manner of performing its services; it is the Agency's intention to keep at least one vacancy in any position and in any department created by retirement under this section permanently unfilled, thereby resulting in an overall reduction of the workforce of the

Minutes of a Regular Meeting, February 25, 1992

Agency. In addition, the Agency needs to authorize a new designated window period and specify the eligible group of employees. All conditions of the retirement option are met by the Agency and it is recommended March 1, 1992 through June 30, 1992 be established as the new window period.

Mr. King noted his opposition to taking action on these items at this time as there is a need for further discussions in Closed Session on overall staffing, not just clerical.

David Madway, Agency General Counsel, indicated that because staffing levels and budget implications are involved all discussions should be held in public. He indicated that the Commission would be provided with an informational memorandum indicating under what circumstances personnel matters may be discussed in closed session in accordance with Brown Act regulations.

Mr. Kitahata indicated he has questions regarding performance evaluation and merit increases which Mr. King indicated are all within the scope of the proposed further discussions.

Mr. Kitahata suggested that staff recommendation be approved and Mr. King's recommendation be looked at internally as a first step.

Mr. King noted his opposition to this suggestion.

Mr. Helfeld indicated that discussions need to be held on a strategic plan and the future of the Agency in conjunction with the Mayor's Office and the Board of Supervisors which will determine staffing needs.

Jano Oscherwitz, Business Representative, United Public Employees Local 790, indicated that the Union is concerned about the arbitrary manner in which Agency staff has addressed proposed layoffs regardless of the Commission's consensus at the February 18, 1992 meeting that the three clerical positions involved remain in the proposed budget being sent to the Mayor's Office. The the Budget Analyst's (Harvey Rose) report indicated that due to the limited time frame of the audit, a workload study of the clerical staff was not conducted to evaluate the Agency's clerical needs. The Union is requesting that a workload study be conducted of all Agency staff. In addition, the Controller's Office has conducted an audit recommending a comprehensive compensation and classification study be done of all Agency staff since one has not been conducted since 1983. It is understood this audit will be released late next week. It is the Union's contention that the layoffs were too hastily submitted and that no bargaining unit positions be submitted for layoff until a thorough personnel evaluation has been completed. The Budget Analyst's audit states that the Agency's salary structure results in approximately 12 percent of staff receiving compensation in excess of \$70,000 annually and should the proposed 1992-1993 budget be approved this 12 percent will increase to 32 percent of staff receiving \$60,000 to \$70,000. The Union proposes that all

persons outside the Bargaining Unit have their salaries frozen until a proper evaluation can be conducted. The layoff of three clerical positions would only save \$130,454, whereas a salary freeze of non-bargaining unit positions would save approximately \$341,410. The Union also proposes that the two year incentive for retirement be offered to all Agency employees rather than just clerical staff. It is also requested that Local 790 be involved in the selection process of an independent firm which will initiate a comprehensive study to assess and recommend position and pay equity issues. It is the intention of the Union to work with Management and the Commission to reach an equitable agreement to the proposed layoffs.

RULE OF THE CHAIR: ACTING PRESIDENT TSEN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 39-92, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

RULE OF THE CHAIR: ACTING PRESIDENT TSEN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 40-92, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) James Nybakken, Administrative Services Officer, introduced item (f), which requests approval of the Agency's revised Internal Affirmative Action Opportunity Policy and Affirmative Action Plan for 1992-1993. The Policy and Plan were adopted seven years ago in accordance with guidelines established for City Departments which require that the comparison of the Agency's workforce be made to the entire civilian labor force in San Francisco by each occupational category. The Plan shows the personnel changes that have occurred in the Agency's workforce during 1990 and 1991. Minority group members currently constitute 64.5 percent of the Agency's staff, a level that has remained fairly constant over the past seven years. However, during this period the Agency's workforce has declined from 134 to 107. The most significant change that has occurred during this period is that the percentage of women now constitute 50.5 percent, whereas in 1985 the percentage was 41 percent. A significant under-representation is deemed to occur when the Agency's employment of a protected class in any one of the occupational categories is less than 80 percent of the percentage held by that group in the San Francisco civilian labor force. By this computation, under-representation of women and some ethnic groups does occur in some occupational categories within the Agency's workforce. It has been the Agency's goal to bring these protected classes to parity with the San Francisco labor force and, on an overall basis, all groups except Whites and Hispanics now constitute a higher percentage of the Agency's workforce than that contained in the San Francisco civilian workforce. Hispanic is the only under-represented category of the protected classes within the total Agency workforce even though numerous resources have been utilized to attract applicants from this category, including the Human Rights Commission. Because it is anticipated the Agency will be doing very little hiring over

Minutes of a Regular Meeting, February 25, 1992

the next two years, the goals are to add at least one Hispanic to the Agency workforce and one woman in the Administrator category.

Mr. King indicated he would like the policy reviewed by the Human Rights Commission prior to approval by the Agency Commission.

Mr. Nybakken indicated that he would send the policy to the Human Rights Commission for review.

RULE OF THE CHAIR: ACTING PRESIDENT TSEN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 41-92 WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Elberling, Friends of the Yerba Buena Gardens, noted his support of the inclusion of a bowling alley on CB-3 which has been requested by the community.

Ms. Tsen indicated that the wishes of the community have been taken into consideration with regard to the bowling center and staff has been instructed to come back with an additional funding source to accomplish this.

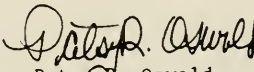
Acting President Tsen announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Harrison Development, Inc.

There will also be a Closed Session pursuant to Government Code Section 54959 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:10 p.m.

Respectfully submitted,


Patsy M. Oswald
Agency Secretary

APPROVED

March 24, 1992

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CITY OF SAN FRANCISCO

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF MARCH, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of March, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

and the following was absent:

V. Fei Tsen, Vice President

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: James Fang and Dave Chinok, Mayor's Office; Bill Sorro and Bill Benton, Sixth Street Merchants and Residents Association.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of February 11, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is an additional item to add to the agenda regarding the Mayor's request to advance \$24,000 to the Chinatown Environmental Control Task Force to provide for sidewalk sweeping and steam cleaning in Chinatown as part of the approved Chinatown Economic Development Program. The Brown Act requires a unanimous vote of the Commission members to add this item to the agenda.
- (b) In connection with the revised personnel budget proposal that was deferred by the Commission at the February 25

Minutes of a Regular Meeting, March 3, 1992

meeting pending further review of Agency workload and staffing needs, the Commissioners have been provided with an informational memorandum outlining a number of studies that are proposed to be conducted over the next months in the areas of strategic planning, salary and classification, workload analysis, central records, and performance revaluation and other recommendations. Since the Mayor and Board of Supervisors will eventually determine the future direction of the Agency, they will be consulted regarding this proposed approach.

- (c) The first meeting of the Housing Committee, comprised of Kent Sims, Ted Dienstfrey of the Mayor's Office and Executive Director Edward Helfeld, was held last week. It was a productive meeting. In addition, a meeting of the Economic Development Task Force was held. The Task Force has been formed to look at economic needs in neighborhoods and the top priority is the South Bayshore. The Task Force members are the same as the Housing Committee with the addition of Ron Blatman and John Grunstein of the Mayor's Office.
- (d) On February 27, an Architectural Forum was held at which five architects associated with Yerba Buena Center discussed their design philosophies. The Commissioners have been provided with an announcement of forthcoming events that are planned in connection with the project.
- (e) On February 27, the South of Market Business Association (SOMBA) celebrated the opening of their new offices at 950 Seventh Street.
- (f) On March 10 at noon, there will be a topping out ceremony at 1336 Post Street for The Sutterfield (a.k.a. Peter Yorke Towers) which is a 164 condominium development and a Cala Foods supermarket.
- (g) On March 31, it is suggested that the Agency meeting be held at the Earl P. Mills Community Center and prior to the meeting that the Commission tour and attend an open house at the Progress Seven site in Hunters Point. The Agency meeting will be at 4:00 p.m., and is requested the Commissioners be at the Progress Seven site at 3:00 p.m.
- (h) The Commissioners have been provided with a letter to Chris Martin, Chairman of the Fisherman's Wharf Citizens Advisory Committee, urging the Triangle Plaza and Waterfront Promenade be given priority.
- (i) The Commissioners have been provided with Financing Alternatives for Central Block 3 in Yerba Buena Center.

Robert Gamble, Deputy Executive Director, Finance, responded to questions from the Commissioners. He indicated that the preferred alternate is that the Board of

Minutes of a Regular Meeting, March 3, 1992

Supervisors amend the Hotel Tax Ordinance to provide a revenue stream to the Agency.

It was the consensus of the Commission that staff proceed to investigate and seek support for this preferred financing method.

Mr. Helfeld left the meeting at this time, 4:25 p.m.

NEW BUSINESS

- (a) Gene Suttle, Senior Deputy Executive Director introduced item (a), which requests authorization of an Owner Participation Agreement with Pine Garment (U.S.A.), Inc. for the development of a warehouse with supporting office space and required parking at 1669-1683 Galvez Avenue located on the southwesterly side of Galvez Avenue between Third and Phelps Streets in the Bayview Industrial Triangle. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 43-92, WOULD BE CONTINUED TO THE MEETING OF MARCH 10, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Gene Suttle, Senior Deuty Executive Director, introduced item (b), which requests authorization of a Second Amendatory Agreement which revises the Schedule of Performance to the Land Disposition Agreement with GP/TODCO for the development of the parcel located on the southeast corner of Sixth and Tehama Streets in the South of Market. The LDA was authorized in July 1991 for the development of 140 affordable single room-occupany (SRO) units. In November 1991 a First Amendment amended the performance schedule calling for conveyance of the site to occur by April 1, 1992 in order to meet a California Tax Credit Allocation Committee requirement during the Fall 1991 tax credit cycle. However, the Developer was not awarded a low income housing tax credit allocation during the cycle and is applying to the March 13, 1992 tax credit round. It will not be known until June 1992 whether the application is successful. It is therefore proposed to amend the performance schedule relating to a new conveyance date and other performance dates outlined in the LDA that will be in accordance with tax Credit requirements. The revised performance schedule calls for submission of evidence of financing by July 1, 1992 and conveyance of the site by September 30, 1992.

In response to an inquiry from President Bagot, William Rumpf, Chief, Housing Production and Management, indicated that the tax credit rules have been changed and SRO projects will be more competitive in the next round.

Mr. Helfeld returned to the meeting at this time, 4:30 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-92 BE ADOPTED.

- (c) Gene Suttle, Senior Deputy Executive Director, introduced item (c), which requests authorization of reimbursement of Architectural Design Fees in an amount of \$28,788 to Fillmore Renaissance Associates in connection with the development of Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. As a condition of entering into the Land Disposition Agreement for the purchase of the parcel, the Agency required that the Developer incorporate 80 additional parking spaces in the development. The additional parking was to be purchased by Western Commercial Partnership II (WCP II) to satisfy the parking requirement for its adjacent office building. WCP II reneged on its agreement and refused to purchase the parking spaces or provide alternative spaces and Agency legal counsel then began the process of enforcing the Agency's remedies in the agreement. WCP II subsequently proposed that the 80 parking spaces be provided in the adjacent Webster Towers rather than the Fillmore Renaissance development which would require granting of a variance to permit 27 of the spaces not be independently accessible. In exchange for the variance, which is tentatively scheduled for consideration at the March 17, 1992 meeting, WCP II has agreed to reimburse the Agency for the Developer's fees and the Agency's legal fees.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Seventh Amendment to the Personal Services Contract HM/WC-1 with Harding Lawson Associates for Hazardous Materials and Waste Consultation Services in connection with All Redevelopment Project Areas and Other Designated Sites. The proposed amendment, which increases the amount payable by \$75,000 for a total contract amount of \$360,000, is required to fund the completion of toxic studies for three affordable housing sites located at 1009 Mission Street, 1024 Howard Street and 241 Sixth Street in the South of Market. Preliminary investigations have identified the presence of contaminated soil on the sites and completion of a Preliminary Endangerment Assessment is required by the State Department of Health Services before approval of the development plans. The services rendered by the firm have been satisfactory and its affirmative action program is found acceptable.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-92 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendment to the Personal Services Contract HM/WC-2 with Baseline Environmental Consulting for Hazardous Materials and Waste Consultation Services in connection with All Redevelopment Project Areas and Other Designated Sites. The proposed amendment, which increases the amount payable by \$150,000 for a total contract amount of \$250,000, is required to fund toxic studies for the Rincon Point Park and South Beach Park sites and for other designated development sites. The studies are needed to determine the levels of contaminated materials on the sites and the remediation efforts required to allow development to take place. The firm's performance has been highly satisfactory and its affirmative action program is found acceptable.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-92 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Personal Services Contract in an amount of \$24,000 with the Chinatown Environmental Control Task Force to provide for sidewalk sweeping and steam cleaning in Chinatown as part of the approved Chinatown Economic Development Program. The Mayor's Office is requesting approval to release the \$24 million allocated for economic development activities in Chinatown to the Task Force for the continuance of sidewalk sweeping and steam cleaning services, which activity was included in the Final Plan approved by the Agency Commission on January 17, 1992. Community Development Block Grant (CDBG) program income will be used to pay for activities outlined in the Chinatown Economic Development Final Plan and the use of these funds is subject to regulations established by the Federal Department of Housing and Urban Development (HUD) which require and activity must: benefit principally low and moderate-income persons; address slum/blight conditions; or meet an urgent need. Staff, therefore, recommends approval, subject to the Sponsor complying with all CDBG requirements. James Fang of the Mayor's Office is here to respond to questions.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, February 28, 1992. Pursuant to Government Code

Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FEBRUARY 28, 1992.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (j) Mr. Helfeld noted that the Commissioners have been provided with an informational memorandum on the use of Marriott Hotel lease revenues.

President Bagot requested copies be sent to John Elberling, Tenants and Owners Development Corporation, and Rene Casenave, Council of Community Housing Organizations.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Bill Benton, Sixth Street Merchants & Residents Association, noted that the community supports an SRO project at 6th and Tehama Streets in the South of Market which is being developed by Tenants and Owners Development Corporation (TODCO). However, there is concern that TODCO was not selected to develop the site at Sixth and Minna Streets because of their community involvement during a period of over ten years. The selected developer, Asian, Inc., has not brought their plans to the community for input which is disturbing.

The Commissioners noted that the selected developer has indicated a willingness to fulfill his obligation for community involvement in the project.

Jack Robertson, Housing Development Specialist, noted that Asian, Inc. will be requesting an Option to Lease the property at 6th and Minna at the March 10, 1992 meeting

President Bagot indicated that the Commission values the efforts of the Sixth Street Merchants and Residents to improve the neighborhood.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (k) The Commissioners have been provided with an informational memorandum regarding closed session matters.

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- (l) The Commissioners have been provided with an informational memorandum on the proposed process to determine optimum development program and approach for the development of Entertainment/Retail portion of Central Block 2 in Yerba Buena Center.
- (m) The Commissioners have been provided with a memorandum to Kent Sims, Mayor's Office of Economic Planning and Development, regarding Mission Bay.

The Commissioners had further discussions regarding the Hunters Point Shipyard, the University of California San Francisco and the North Mission.

Ms. Bolanos noted that if consideration is being given to a Redevelopment Project Area in the North Mission then the community should be consulted.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Street in Hunters Point with Progress Seven, Inc.; and

200 Sixth Street in the South of Market with D. Patel; and

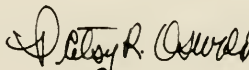
northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties0 -VII.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 24, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF MARCH, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of March, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King

and the following were absent:

Gary Kitahata (Arrived 5:30 p.m. during the
Closed Session)
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Jeff Roth and Jerry Clark, Natoma Neighborhood Association; Mike Mahoney and Jay Parashis, San Francisco Police Department; Mike Abramson, San Francisco Museum of Modern Art; Charmaine Curtis, Catholic Charities; Joe Lipski, Mayor's Office of Economic Planning and Development; and Daniel Hernandez, Mission Housing Development Corporation.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE PRESIDENT

- (a) President Bagot requested staff provide information regarding a reduction in funding for Young Community Developers in the Agency's budget.
- (b) David Madway, Agency General Counsel, responded to questions from President Bagot regarding permitted uses of Marriott Hotel lease revenues.
- (c) In response to an inquiry from President Bagot regarding the Melanie Beene management audit of the Center for the Arts at Yerba Buena Gardens, the Commissioners and staff indicated that it is planned to follow the process that has already been discussed and provides an opportunity for all parties to respond to issues raised. The interim report is confidential, however, the final report will be available to the public.

Minutes of a Regular Meeting, March 10, 1992

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is a need to continue item 5 (a), Unfinished Business, which relates to the proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Project Area, in order to appropriately notify all property owners of an additional amendment to the Redevelopment Plan regarding the extension of Eminent Domain Power.
- (b) There is an additional item to add to the agenda which commends Ms. Tsen for her services as a Commissioner of the Redevelopment Agency. There is also a Closed Session item to be added to the agenda regarding Real Property Negotiations. A unanimous vote of the Commission members is required to add these items.
- (c) A reception is planned for Ms. Tsen and the Commissioners will be provided with further details when the arrangements are finalized.
- (d) On March 10 at 12 noon a Topping-out Ceremony was held at 1336 Post Street for The Sutterfield, a.k.a. Peter Yorke Towers, which is a 164 unit condominium development and a Cala Foods supermarket.
- (e) On March 24, 5:00 to 7:00 p.m., the Mexican Museum will be holding a reception at the Friends of Photography's Ansel Adams Center, 250 Fourth Street. This gathering is to bring together the five cultural institutions that will call Yerba Buena Center home in the coming years. The five institutions are: the Mexican Museum, the California Historical Society, the Friends of Photography, the San Francisco Museum of Modern Art and the Center for the Arts.
- (f) The March 31 Agency meeting will be held at the Earl P. Mills Community Center and prior to the meeting the Commissioners will tour the Progress Seven site.
- (g) The Commissioners have been provided with an informational memorandum on the University of California San Francisco's long-range plan.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which commends and expresses appreciation to V. Fei Tsen for her service as a Commissioner of the Redevelopment Agency.

This is not an agenda item and, in accordance with the Brown Act Regulations, a determination needs to be made by the Commission that the necessity to take action on this off-agenda item arose after posting of the agenda on Friday, March 6, 1992. Pursuant to Government Code Section 54954.2(b)(2) a unanimous vote of the Commission members is required to add this item.

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MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 6, 1992.

Ms. Tsen indicated that, although she will no longer be a member of the Commission, she will be an advocate for the Agency's programs as a private citizen.

The Commissioners noted that Ms. Tsen has been outstanding in her capacity as a Commissioner and expressed appreciation for her significant and valuable contribution to the Agency's program and policies.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-92 BE ADOPTED.

Mr. Helfeld suggested that the Commissioners may wish to consider electing a new Vice President at the March 17, 1992 meeting.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed Redevelopment Plan Amendment; Rincon Point-South Beach.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests: (1) authorization to transmit the proposed Rincon Point-South Beach Redevelopment Plan Amendment to the City Planning Commission of the City and County of San Francisco; (2) approval of the Addendum to the Report on the Rincon Point-South Beach Redevelopment Project Area and authorization to transmit it to the Board of Supervisors of the City and County of San Francisco; (3) approval of the proposed Amendment to the Design for Development for the Rincon Point-South Beach Redevelopment Project Area and authorization to transmit it to the City Planning Commission of the City and County of San Francisco; and (4) approval of the proposed Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area and authorization to transmit it to the Board of Supervisors of the City and County of San Francisco. It is requested that this item be continued to the meeting of March 24, 1992 so that all property owners may be appropriately notified of an additional amendment to the Redevelopment Plan regarding the extension of Eminent Domain Power.

There being no persons wishing to appear in connection with this matter, the President declared that the Public Hearing would be continued to March 24, 1992.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NUMBERS 35-92, 36-92, 37-92 and 38-92, AND THE PUBLIC HEARING WOULD BE CONTINUED TO MARCH 24, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Owner Participation Agreement with Pine Garment (U.S.A.), Inc. for the development of a warehouse with supporting office space and required parking at 1669-1683 Galvez Avenue located on the southwesterly side of Galvez Avenue between Third and Phelps Streets in the Bayview Industrial Triangle. The Developer has requested this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 43-92 WOULD BE CONTINUED TO THE MEETING OF MARCH 17, 1992 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an extension of the Conveyance Date from March 11, 1992 to March 25, 1992 under the Land Disposition Agreement with Harrison Development, Inc. (Lawrence Lui) for the purchase and development of the site located at the southeast corner of Third and Harrison Streets; Yerba Buena Center.
- (b) Authorizing an Eighth Amendment to the Personal Services Contract with Carneghi-Bautivoch & Partners, Inc., for reuse appraisal services, which increases the amount payable under the Contract by \$35,000 to \$303,000; All Redevelopment Project Areas.
- (c) Authorizing a Second Amendment to the Personal Services Contract with Carneghi-Bautovich & Partners, Inc., for acquisition appraisal services, which increases the amount payable under the Contract by \$25,000 to \$65,000; Within and Outside Approved Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 49-92, 50-92 AND 51-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Robert Firehock, Deputy General Counsel, introduced item (d), which requests authorization of a First Amendment to the Disposition and Development Agreement (DDA) with the San Francisco Museum of Modern Art for the development of the East Block 2 (EB-2) Museum Site (Parcel EB-2B) located on the east side of Third between Minna and Hunt Streets and the

rehabilitation of the the Central Block 1 (CB-1) Museum Site (Jessie Street Substation) in Yerba Buena Center. The DDA was approved in January 1991 for the development of a first class fine arts museum on Parcel EB-2B and an auxiliary museum to be located in the Jessie Street Substation. The proposed amendment memorializes the relinquishment of all the rights and interests of Yerba Buena Gardens, Limited Partnership, (YBG-LP) with respect to the EB-2 Museum Site and makes other minor changes. The Developer is now prepared to proceed with the museum project and it is anticipated conveyance of the parcel will occur on or about March 23, 1992.

Mike Abramson, San Francisco Museum of Modern Art, expressed appreciation to the Commissioners and staff for their cooperation.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-92 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in an Option to Lease Property for development at 7th and Natoma Streets; South of Market.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialist, introduced item (e), which requests authorization of an Option to Lease Real Property with Gabreila Apartments, Ltd., for the development of affordable housing located at 7th and Natoma Streets in the South of Market. In June 1990, exclusive negotiations were authorized with Housing Development and Neighborhood Preservation Corporation (HDNPC), in conjunction with West Bay Pilipino Multi-Service Corporation, for the construction of an affordable 27-unit family rental housing project on the site. HDNPC has formed Gabreila Apartments, Ltd. for the purpose of obtaining Low-income Housing Tax Credits for the project. Execution of the Option to Lease Agreement will permit the Developer to obtain site control by March 13, 1992, which is necessary to satisfy the requirements of the State Rental Housing Construction Program (RHCP) and the California Tax Credit Allocation Committee. The term of the option shall commence on March 10, 1992 and terminate on July 1, 1992 or the date on which the Developer's applications for low income housing tax credits or RHCP funds are rejected, whichever occurs first. The option may be exercised at any time prior to its expiration date. Upon the exercise of the option by the Developer, a 99-year lease will be executed for the development of affordable housing on the site.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-92 BE ADOPTED.

- (f) Public hearing to hear all persons interested in an Option to Lease Property for development at 6th and Minna Streets; South of Market.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialist, introduced item (f), which requests authorization of an Option to Lease Real Property with Asian, Inc. for the development of affordable housing located at 6th and Minna Streets in the South of Market. In February 1992, exclusive negotiations were authorized with Asian, Inc. for the development of 25 family rental apartments along Minna Street and a 48-unit single-room occupancy (SRO) building fronting on Mission Street. Execution of the Option to Lease Agreement will permit the Developer to demonstrate site control, which is necessary to satisfy the requirements of the State Rental Housing Construction Program (RCHP) and the California Tax Credit Allocation Committee. The term on the option shall commence on March 10, 1992 and terminate on July 1, 1992 or the date on which the Developer's applications for low income housing tax credits or RHCP funds are rejected, whichever occurs first. The option may be exercised at any time prior to its expiration date. Upon exercise of the option by the Developer, a 99-year lease will be executed for the development of affordable housing on the site.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-92 BE ADOPTED.

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions or voting on items (g) and (h) because Jane Graf of Catholic Charities is on the Board of the non-profit where he works. He requested items (g) and (h) be deferred until Mr. Kitahata's arrival in order to have a quorum to vote on these items.

- (i) Joe Lipski, Mayor's Office of Economic Planning and Development, introduced item (i), which requests authorization of a Regulatory and Grant Agreement or Loan Agreement for \$668,751 with Mission Housing Development Corporation (MHDC) for acquisition and development costs for new construction of affordable housing at 1292 Potrero Avenue, as part of the 1991-1992 City-wide Tax Increment Housing Program (TIHP). MHDC is currently in exclusive negotiations with the owner of the property and expects to execute an Option to Lease the Property by March 13, 1992. It is also proposed to joint venture with the Good Samaritan Family Resource Center, Inc. to develop 20 housing units affordable to households earning 50 percent or less of the median and approximately 10,000 square feet of family resource and childcare center. It is planned that MHDC will develop the housing portion and Good Samaritan will develop the family resource portion.

Each entity will be responsible for obtaining the necessary financing for their respective portions. The total cost of the housing development is estimated at \$4.5 million and MHDC is requesting \$668,751 to prepay a seventy-five year lease of the housing portion of the site and to pay other specific associated costs, including the cost of demolishing existing buildings which were substantially damaged in the October 1989 earthquake. The TIHP Loan Committee has approved the funding request, subject to a fully executed Option to Lease Agreement by March 13, 1992 and commitments from the State Rental Housing Construction Program and tax credit programs. The funding commitment is also conditioned upon submission of an acceptable design and suitable density on the site.

Daniel Hernandez, Mission Housing Development Corporation, responded to questions from President Bagot regarding financing for the project.

In response to an inquiry from President Bagot, Mr. Lipski indicated that it is planned to develop the projects together, however, they will be subdivided so they can be developed independently if necessary.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-92 BE ADOPTED.

- (h) Carol Anderson, Housing Development Specialist, introduced item (h), which requests authorization of a Regulatory and Grant Agreement or Loan Agreement for \$830,000 with Catholic Charities of the Archdiocese of San Francisco for the acquisition and development of property located at the southwest corner of 7th and Howard Streets, as part of the 1991-1992 City-wide Tax Increment Housing Program (TIHP). The Developer has entered into exclusive negotiations with the owner of the property and plans to execute an Option to Purchase Agreement by March 13, 1992. It is proposed to develop a family rental housing project with all 34 units to be affordable to households earning 60 percent or less of median income. The total development cost is approximately \$5.6 million and the TIHP commitment is being requested for property acquisition costs. The TIHP Loan Committee approved the funding request of \$830,000 subject to: a fully executed Option to Purchase Agreement by March 13, 1992; funding commitments from the State RCHP and tax credit programs in the current funding cycle; and an appraisal of the property. The funding commitment is also conditioned upon submission of an acceptable design and suitable density on the site. Since the funding for the TIHP program for the current fiscal year is from the proceeds of a tax-exempt bond issue, it is anticipated the Agency subsidy would be provided as a grant with a recorded regulatory agreement to secure affordability for 55 years.

Ms. Tsen noted that Ms. Anderson will be leaving the Agency to take a new position and the Commissioners wished Ms. Anderson success in her future endeavors.

Minutes of a Regular Meeting, March 10, 1992

Ms. Tsen noted that the Affordable Housing Program has contributed significantly to the success of San Francisco obtaining State RHCP funding for affordable housing projects and receiving the highest awards in the State.

ADOPTION: IT WAS MOVED BY Ms. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-92 BE ADOPTED.

In response to an inquiry from President Bagot regarding his conflict of interest on the items relating to Catholic Charities, David Madway, Agency General Counsel, indicated that as long as President Bagot remained present at the meeting (But abstained from voting), items (g) and (h) could be considered by the Commission.

At this time, 5:05 p.m., President Bagot turned the Chair over to Ms. Tsen.

- (g) Public Hearing to hear all persons interested in an Option to Lease Property for development at 1028 Howard Street; South of Market.

Acting President Tsen opened the Public Hearing to hear all persons interested in this matter.

Philip Williams, Housing Development Specialist, introduced item (g), which requests authorization of an Option to Lease Real Property with Catholic Charities of the Archdiocese of San Francisco for the development of affordable housing at 1028 Howard Street in the South of Market. In June 1991, exclusive negotiations were authorized with the Developer for the development of a 30-unit family rental project. Execution of the Option to Lease Agreement will permit the Developer to demonstrate site control, which is necessary to satisfy the requirements of the State Rental Housing Construction Program (RCHP) and the California Credit Allocation Committee. The term of the option shall commence on March 10, 1992 and terminate on July 1, 1992 or the date on which the Developer's applications for low income housing tax credits or RHCP funds are rejected, whichever occurs first. The option may be exercised at any time prior to its expiration date. Upon exercise of the option by the Developer, a 99-year lease will be executed for the development of affordable housing on the site.

There being no persons wishing to appear in connection with matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND CARRIED, WITH PRESIDENT BAGOT ABSTAINING, THAT RESOLUTION NO. 55-92 BE ADOPTED.

- (h) Philip Williams, Housing Development Specialist, introduced item (h), which requests authorization of a Regulatory and Grant Agreement or Loan Agreement for \$830,000 with Catholic Charities of the Archdiocese of San Francisco for the acquisition and development of property located at the southwest corner of 7th

and Howard Streets, as part of the 1991-1992 City-wide Tax Increment Housing Program (TIHP). The Developer has entered into exclusive negotiations with the owner of the property and plans to execute an Option to Purchase Agreement by March 13, 1992. It is proposed to develop a family rental housing project with all 34 units to be affordable to households earning 60 percent or less of median income. The total development cost is approximately \$5.6 million and the TIHP commitment is being requested for property acquisition costs. The TIHP Loan Committee approved the funding request of \$830,000 subject to: a fully executed Option to Purchase Agreement by March 13, 1992; funding commitments from the State RCHP and tax credit programs in the current funding cycle; and an appraisal of the property. The funding commitment is also conditioned upon submission of an acceptable design and suitable density on the site. Since the funding for the TIHP program for the current fiscal year is from the proceeds of a tax-exempt bond issue, it is anticipated the Agency subsidy would be provided as a grant with a recorded regulatory agreement to secure affordability for 55 years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND CARRIED, WITH PRESIDENT BAGOT ABSTAINING, THAT RESOLUTION NO. 56-92 BE ADOPTED.

At this time 5:10 p.m., Ms. Tsen turned the Chair back to President Bagot.

Rubin Glickman appeared before the Commission and noted his support for item (j). He expressed appreciation to the Commission and Agency housing staff for their cooperation and assistance.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Street in Hunters Point with Progress Seven, Inc.; and

980 Howard Street in the South of Market with Goodwill Industries.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, March 6, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON MARCH 6, 1992.

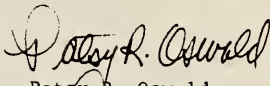
Minutes of a Regular Meeting, March 10, 1992

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 1 in the Yerba Buena Gardens in Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 21, 1992

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S.F.
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF MARCH, 1992

STATEMENTS REPT:
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of March, 1992, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT MR. MARDIKIAN BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Temporary President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following was absent:

Buck Bagot, President

The Temporary President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Marc Trotz, Mayor's Office; John Elberling, GP/TODCO; William Lee, Economic Research Associates; Yvette McCoy and Jaime Lockett, Progress Seven, Inc.; Susan Wong, Chinese Community Housing Corporation; Mike Mahoney and Jay Parashis, San Francisco Police Department.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is one additional Closed Session item to add to the Agenda regarding litigation.
- (b) On March 31 the Agency meeting will be held at the Earl P. Mills Community Center and prior to the meeting the Commissioners will tour the Progress Seven site at 3:00 p.m.
- (c) On April 8, 5:30 to 7:00 p.m., there will be a reception for Fei Tsen at the Harbor Village Restaurant, Four Embarcadero Center.

Minutes of a Regular Meeting, March 17, 1992

- (d) The Commissioners' Conflict of Interest Statements must be filed with the Clerk of the Board of Supervisors no later than April 1, 1992.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Owner Participation Agreement (OPA) with Pine Garment (U.S.A.) (Owner), Inc. for the development of a Warehouse and Support Offices at 1669-1683 Galvez Avenue located on the southwest side of Galvez Avenue between Third and Phelps Streets in the Bayview Industrial Triangle. The Owner wishes to demolish the dilapidated structures on the property and build a new warehouse with support offices, which will be a significant improvement over the existing structures. The development is consistent with the Redevelopment Plan and Agency architectural staff has determined the plans submitted are consistent with the intent of the Plan and the Design for Development. The proposed OPA will contain the Agency's standard affirmative action requirements and allow the owner approximately two years for completion of construction.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-92 BE ADOPTED.

NEW BUSINESS

- (a) ELECTION OF A VICE PRESIDENT

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT MR. MARIKIAN BE ELECTED VICE PRESIDENT.

- (b) William Carney, Senior Staff Architect, introduced item (b), which requests authorization of a Tenth Amendment to the Architectural Agreement with MGA Partners, which increases the amounts payable for additional services by \$73,000 and for reimbursable expenses by \$95,000 in connection with Yerba Buena Center. The proposed Amendment funds several items which are necessary to assure the successful bidding and construction administration of the Esplanade. These include: \$21,300 for changes to the architectural documents to incorporate several bid alternates selected by the Agency; \$21,500 for changes to incorporate changed conditions in the Moscone lobby roof structure and waterproofing system; \$18,500 for re-documenting a portion of the early steel package at the Mission Street Moscone stair pavilions for transfer from the Moscone construction contract to the Agency construction contract to achieve better pricing of the work which was the bid by the Moscone contractor for substantially more than the Agency's staff or Construction Manager finds reasonable; \$11,700 for other unforeseen additional services arising from field conditions and other unanticipated factors during the construction phase of the work; and \$95,000 for travel and other reimbursable expenses which have increased because of the extensive redesign of the Esplanade over the last

three years, which entailed numerous additional trips as well as several additional models and full scale mock-ups of portions of the fountain. The Commissioners have been provided with details of the firm's affirmative action program, which staff finds acceptable.

Mr. Kitahata requested a separate accounting be made of additional costs incurred by the Agency because of the Moscone Convention Center expansion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-92 BE ADOPTED.

- (c) Edmund Ong, Chief of Architecture, introduced item (c), which requests authorization of a Ninth Amendment to the Record Architect Agreement with Robinson, Mills & Williams (RMW) in connection with the Visual Arts Building in Yerba Center. The amendment provides compensation for RMW, Maki & Associates and their consultants for additional services and expenses in connection with the change in the construction start date for the Visual Arts Building and modifies the contract schedule and completion date. It had been anticipated that construction work would start at the end of March 1991, however, due to a combination of circumstances, including the Agency's inability to proceed because of funding uncertainties and the unavailability of the Moscone roof as early as anticipated. The proposed amendment increases the amount payable by \$85,000 for a total contract amount of \$2.061 million. Design contingency funds would be used which are included within the Yerba Buena Gardens overall budget of \$87.6 million. The Commissioners have been provided with details of the firm's affirmative action program, which staff finds acceptable.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-92 BE ADOPTED.

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of a Second Amendment to the Personal Services Contract with Economic Research Associates (ERA) for Economic Land Consulting Services in connection with Yerba Buena Center. The ongoing services of ERA are required to provide continued analysis of proposals for the Amusement, Recreation and Entertainment uses for the Central Blocks in Yerba Buena Center. The services are particularly needed to assist in the preparation of public offerings of the Entertainment and Retail Parcel on Central Block 2 and to contact prospective developers and operators of the entertainment uses. The proposed Amendment increases the amount payable by \$35,000 for a total contract amount of \$90,000. The Commissioners have been provided with details of the firm's affirmative action program, which staff finds acceptable. William Lee of ERA is here to respond to questions.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-92 BE ADOPTED.

- (e) Marc Trotz of the Mayor's Office introduced item (e), which requests authorization of an extension and modification of the loan terms for a loan of \$1.9 million to Chinese Community Housing Corporation (CCHC) for the development of affordable housing at 201 Turk Street as part of the City-wide Tax Increment Housing Program (TIHP). In February 1991, a grant of \$1.340 million was approved for the acquisition of 201 Turk Street for the development of 175 units of low-income family housing which CCHC is developing in a joint venture with A.F. Evans Company. In October 1991, an additional \$1.9 million interim loan was approved due to a problem with toxics on the site which has now been resolved. The loan was originally expected to be repaid by March 31, 1992, however, due to a lower than anticipated construction loan and delay in the sale of tax credits, the Sponsors have proposed deferring several expenditures, including repayment of the Agency's loan in order to get the project under construction within the tax credit time constraints. The Agency and all entities deferring payment would receive payment out of tax credit proceeds as they become available for distribution. To the extent that tax credit proceeds are generated at the project level, the interim loan would be fully repaid. However, to the degree the tax credit equity falls short of the projected amount, it is possible a portion of the loan would not be repaid and would remain in the project as permanent financing. In the event the Agency does not receive any repayment of the interim loan, the local subsidy would be \$23,623 per unit. The Developers have not reached agreement with their lenders or other parties that would be part of this arrangement and approval of the loan extension would therefore be subject to certain conditions set forth in the resolution before the Commission. The requested extension and modification of the interim loan has been approved by the TIHP Loan Committee. An amended resolution is before the Commission which delegates authority to the Executive Director to extend the dates indicated for meeting the conditions if he makes the judgment that the project can still satisfy the other financing sources.

In response to an inquiry from Mr. Kitahata regarding his earlier request for a written binding agreement, Mr. Trotz indicated that there is still an understanding that the Mayor's Office of Housing will reimburse the Agency for half the funding in the event the interim financing becomes permanent and remains in the project.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that in the worst case scenario additional funds would have to be expended to purchase the property but then there would not be housing and there would be a need to start over again.

Minutes of a Regular Meeting, March 17, 1992

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-92, AS AMENDED, BE ADOPTED.

- (f) Jack Robertson, Housing Development Specialist, introduced item (f), which requests authorization of a grant, loan or other financing instrument in an amount not to exceed \$2.1 million to GP/TODCO for the development of affordable housing at 241 Sixth Street, located at the southeasterly corner of 6th and Natoma Streets in the South of Market. In July 1991, an LDA was authorized for the construction of 140 single-room occupancy (SRO) units permanently affordable to low-income residents. Occupancy priority will be given to South of Market and other San Francisco residents displaced by the October 1989 earthquake. The total development cost is estimated at \$10.4 million and in addition to low-income housing tax credits and State financing, approximately \$2.1 million in local funding is needed to pay for related development costs. The source of funding would be from the South of Market Earthquake Recovery Redevelopment Project Area housing assistance budget. The Agency provided an \$824,000 acquisition loan to be repaid within two years from conveyance and will therefore have \$2.924 million outstanding subsidy in the project for the initial two years. The net Agency contribution, upon repayment of the land acquisition loan, will be \$2.1 million or \$15,000 per unit. The City-wide Housing Loan Committee has approved the loan request and recommends Commission approval.

In response to inquiry from Mr. Kitahata, Mr. Robertson indicated that the site will not be conveyed until all financing is in place and there is relatively minor financial exposure for the Agency.

John Elberling, GP/TODCO, responded to questions from Mr. Kitahata regarding the prospects of obtaining non-local funding for the project.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Kitahata regarding the status of the African-American Empowerment Task Force, Mr. Helfeld indicated that James Jefferson, Chair of the Task Force, has requested Mayor Jordan to review the membership composition since the current members were appointed by a previous Mayor. Since this has not yet occurred due to other pressing City matters, Mr. Jefferson has concluded the Task Force may as well proceed and it is anticipated recommendations will be made to the Commission in the near future to address the immediate disbursement of the remaining economic development funds of \$3.2 million.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Yvette McCoy and Jaime Lockett, Progress Seven, Inc., protested the recommendation staff proposes to make to the Commission not to grant a total allowable cost increase of \$108,011.45 for the City View project in Hunters Point.

Acting President Mardikian indicated that the comments would be taken under consideration.

Acting President Mardikian announced that there would be three Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Seven Street in Hunters Point with Progress Seven, Inc.; and

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

the block bounded by First, Brannan, Beale and Bryant Streets in Rincon Point-South Beach with Bayside Village.

There is an additional Closed Session item which arose after posting of the agenda on Friday, March 13, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 13, 1992.

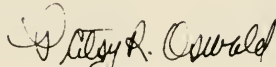
This item is pursuant to Government Code Section 54956.9(c) on the subject of whether the Agency should initiate litigation arising out of its administration of its Economic Development Program.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Litigation. The meeting adjourned at 4:55 p.m.

Minutes of a Regular Meeting, March 17, 1992

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

April 21, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MARCH, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of March, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- Haig G. Mardikian, Vice President
- Sonia Bolanos
- Leroy King
- Gary Kitahata

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Robert Meyers, representing Gallo Salame; and Dr. R.A. McCoy, Future Perfect, Inc.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of February 18, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of February 25, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of March 3, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of February 18, 1992, as distributed by mail to the Commissioners, be approved.

Minutes of a Regular Meeting, March 24, 1992
(Continued to March 31, 1992)

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of February 25, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of March 10, 1992, as distributed by mail to the Commissioners, be approved.

President Bagot referred to the February 18, 1992 minutes and his request for an analysis regarding funds contributed by the Agency as opposed to those contributed by the Office of the Chief Administrator in connection with the Moscone Convention Center expansion.

REPORT OF THE PRESIDENT

- (a) The Commissioners' Conflict of Interest Statements are due at the Agency on March 27 in order to be filed with the Clerk of the Board of Supervisors by April 1, 1992.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There are three additional Closed Session items to add to the Agenda regarding Real Property Negotiations and Threatened Litigation.
- (b) Information has been provided to the Commissioners on a variety of undertakings relating to possible future endeavors of the Agency which include Mission Bay, the northeast Mission area, Zero Coupon Bonds and a Strategic Plan. These items will be reviewed with Kent Sims of the Mayor's Office of Economic Planning and Development at a meeting scheduled for March 30 when there will be discussions on how the Agency can assist the Mayor's Office.
- (c) On March 31, the Agency meeting will be held at the Earl P. Mills Community Center and prior to the meeting the Commissioners will tour the Progress Seven site at 3:00 p.m.
- (d) On April 8, 10:30 a.m. to noon, the Museum of Modern Art will be holding their groundbreaking ceremonies in Yerba Buena Center.
- (e) On April 8, 5:30 to 7:00 p.m., there will be a reception for Fei Tsen, former Agency Commissioner, at the Harbor Village Restaurant at Four Embarcadero Center.
- (f) Friends of Redevelopment will meet on April 1, 5:30 p.m., at the Delancey Street Triangle, Santa Fe Room. Because of Brown Act regulations, only three Commissioners can attend.

It was agreed that Commissioners Bagot, Mardikian and King would attend the "Friends" meeting.

Ms. Bolanos requested the Commissioners be provided with a report on the meeting.

- (g) The Executive Director attended a meeting of the Board of Supervisors' Ball Park Committee. It was a very productive meeting and, in the event the San Jose voters do not approve a Baseball Park, the City may be in a position to make a proposal to the Giants.
- (h) There have been several recent newspaper articles regarding Olympia & York. Even in the event they do not continue making payments, the Agency has a considerable amount of money in hand from installment payments plus the land. It is hoped they will be able to restructure their arrangement with the banks and continue with their obligations to Central Block 1 in Yerba Buena Center.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed Redevelopment Plan Amendment; Rincon Point-South Beach.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests: (1) authorization to transmit the proposed Rincon Point-South Beach Redevelopment Plan Amendment to the City Planning Commission of the City and County of San Francisco; (2) approval of the Addendum to the Report on the Rincon Point-South Beach Redevelopment Project Area and authorization to transmit it to the Board of Supervisors of the City and County of San Francisco; (3) approval of the proposed Amendment to the Design for Development for the Rincon Point-South Beach Redevelopment Project Area and authorization to transmit it to the City Planning Commission of the City and County of San Francisco; and (4) approval of the proposed Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area and authorization to transmit it to the Board of Supervisors of the City and County of San Francisco. The proposed actions are necessary to proceed with the proposed Plan Amendment which activates a parallel amendment to the Design for Development Document as well as the preparation of of an Addendum to the Report on the original Redevelopment Plan. The actions were postponed from March 10 to March 24, 1992 due to a further proposed change to the Plan which is of sufficient import to necessitate the re-notification of property owners within the Project Area. Under the current Redevelopment Plan State law mandates a 12-year limit on the use of eminent domain which will expire in approximately eleven months and it is proposed to extend the Agency's authority to utilize eminent domain to

acquire private property within the Project Area through January 5, 1998. It is believed a concern expressed by Gallo Salame, who wish to continue to use their parcel in the project area for light industrial use, can be satisfactorily addressed by the granting of a variance from the Redevelopment Plan which will be brought before the Commission for consideration at the April 7, 1992 meeting. In addition it is proposed to add a parcel of approximately 3,400 square feet to Site C-1 in the Rincon Point subarea. Prior to ultimate adoption, public hearings must be held on the Plan Amendment by the Agency Commission and Board of Supervisors. Prior to the Board's public hearing, it is necessary for the City Planning Commission to provide its Report on the conformity of the Plan Amendment with the City's Master Plan and its recommendation to the Board of Supervisors.

Robert Meyers, representing Gallo Salame, indicated that it is now believed an arrangement can be worked out by a variance process whereby Gallo Salame can continue to operate with its 100 blue collar jobs as long as it remains in light industrial use. If in the future it is decided to move the operations from the area, Gallo will be willing to discuss the possibility of selling or developing the property for housing in accordance with the Redevelopment Plan.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-92 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-92 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-92 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-92 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Amending and Restating Resolution No. 36-91 declaring the Agency's intention to reimburse expenditures from the proceeds of obligations to be issued by the Agency and directing certain actions; Yerba Buena Center.

Minutes of a Regular Meeting, March 24, 1992
(Continued to March 31, 1992)

- (b) Extending the Conveyance Date from March 25, 1992 to April 8, 1992, under the Land Disposition Agreement with Harrison Development, Inc. (Lawrence Lui) for the purchase and development of Parcel 3763-A located at the southeast corner of Third and Harrison Streets; Yerba Buena Center.
- (c) Commemorating April 20-26, 1992 within the City and County of San Francisco as Community Development Block Grant Program and National Community Development Week.
- (d) Authorization to waive the requirement for issuance of a Site Permit with Excavation and Shoring Addenda as a condition to conveyance of the East Block 2 Museum Site (Parcel 3722-B) located on the northeasterly side of Third Street between Minna and Howard Streets to the San Francisco Museum of Modern Art pursuant to the Disposition and Development Agreement; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 65-92, 66-92, 67-92 AND 68-92, BE ADOPTED.

- (e) Site visit to view the Progress Seven, Inc. development of 15 affordable homes located on the northwesterly corner of Newcomb Avenue and Whitney Young Circle and Progress Street in Hunters Point.

President Bagot announced that this meeting would be continued to March 31, 1992, 3:00 p.m., to conduct this site visit. The continued meeting will reconvene at the parking lot of Earl P. Mills Community Center, 100 Whitney Young Circle and then move to the site on the northwesterly corner of Newcomb Avenue and Whitney Young Circle and Progress Street in Hunters Point to view the Progress Seven, Inc. Development.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot thanked staff for providing information on the Young Community Developers, Inc. proposed budget for fiscal year 1992-1993.
- (b) President Bagot inquired regarding a letter dated March 6, 1992 from Randy Shaw of the Tenderloin Housing Clinic (THC) regarding delaying funds for a proposed housing development at 333 Taylor Street, sponsored by Glide Memorial Church, because there has not been any community review of the project. Mr. Helfeld indicated it is believed that the Developer will be contacting THC and President Bagot requested Mr. Shaw be so advised.

- (c) President Bagot indicated that, although he had signed a letter dated March 20, 1992 to United Public Employees Local 790 because he believed it was the position of the Commission, he was not entirely in agreement with the portion regarding an unwillingness to commit that the salaries for one entire category of employees be frozen to provide salary increases for another. He noted that he had inquired regarding the possibility of Agency employees becoming a part of the City's retirement system, however to implement this would require a Charter Amendment and State Legislation.

Mr. Helfeld indicated that the Budget Office has not yet made recommendations on the Agency's entire budget, including staffing and remuneration, however, historically the Agency has followed City policy in such matters.

- (d) President Bagot noted his concern at a letter from Progress Seven, Inc. accusing staff of discriminating against minority developers.

It was the consensus of the Commission that the matter be discussed more extensively in Closed Session.

- (e) In response to an inquiry from Mr. Kitahata regarding entities that would be eligible for a round of funding requests for affordable housing by the Federal Home Loan Bank, Mr. Helfeld indicated he would investigate and report back to the Commission.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Street in Hunters Point with Progress Seven, Inc.; and

the parcel bounded by First, Brannan, Beale and Bryant Streets in Rincon Point-South Beach with Bayside Village.

There are four additional Closed Sessions items which arose subsequent to posting of the agenda on Friday, March 20, 1992. Pursuant to Government Code Section 54952.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON MARCH 20, 1992.

The first two items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Minutes of a Regular Meeting, March 24, 1992
(Continued to March 31, 1992)

the parcel bounded by Townsend, Delancey and Colin P. Kelly in Rincon Point-South Beach with South Beach Marina Apartments; and

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

The third item is pursuant to Government Code Section 54956.9(b)(1) regarding threatened litigation by FTP Corporation.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

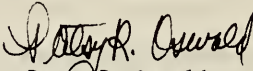
ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Threatened Litigation and Personnel. The meeting adjourned at 4:35 p.m. to March 31, 1992 at 3:00 p.m.

RECONVENED

At this time and date the meeting that was to reconvene at 3:00 p.m. on March 31, 1992 was not held due to lack of a quorum.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 21, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF APRIL, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of April, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following was absent:

Buck Bagot, President

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Arnold Townsend, representing Western Commercial Partnership I & II; Judith Baker, St. Patrick's Day Care Center; Palmer D. Sessel, Western Addition Neighborhood Association; Dr. Rhody McCoy, Future Perfect, Inc.; Claude Carpenter, President, African-American Contractors of San Francisco; August Sanford, San Francisco Interior Builders; Samuel Murray, New Bayview Committee; Genie Bowie; African-American Mothers Alone; Louise Vaughn; Willie Ratcliff; Ocie Mae Rogers; Wally Shepherd; Mike Mahoney and Jay Parashis, San Francisco Police Department.

Representing the press were: Gerald Adams, San Francisco Examiner; and David Ish, New Fillmore Newspaper.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is one additional Closed Session item to add to the agenda regarding Real Property Negotiations.
- (b) The Commisssioners have been provided with an informational memorandum with recommended positions on State Legislation SB-1927 and SB-1711.

Mr. Kitahata indicated that he is not in favor of two positions recommended by staff on the legislation and Mr. Helfeld indicated that a position will not be taken prior to the April 21, 1992 meeting when there will be a full discussion.

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Minutes of a Regular Meeting, April 7, 1992

- (c) Hilborn Hoover has proposed an alternative rehabilitation scenario for the Bulkhead Building, which staff cannot recommend to the Commission, as a considerable amount of public funds would be required. The Agency is pursuing a course that will result in demolition of the building by December 5, 1992, in accordance with San Francisco Bay Conservation and Development Commission's (BCDC) Cease and Desist Order.
- (d) Kent Sims of the Mayor's Office of Economic Planning and Development has indicated he will be the Mayor's representative working with the Agency on a Strategic Plan. A meeting was not held with Doris Ward, former President of the Board of Supervisors but a letter will be sent to the new Board President, Kevin Shelley on this subject.

Commissioners Bolanos, Kitahata and King indicated they would be interested in assisting with the preparation of a Strategic Plan.

Acting President Mardikian indicated he believed it would be appropriate for President Bagot to be present when formally appointing a Committee.

- (e) The Commissioners have been provided with draft recommendations for the disbursement of economic development funds approved by the African-American Empowerment Task Force at a meeting on April 1, 1992 which will be calendared for consideration at the April 21, 1992 meeting.
- (f) On April 8, 10:30 a.m. to noon, the Museum of Modern Art will be holding their groundbreaking ceremonies in Yerba Buena Center.
- (g) On April 8, 5:30 to 7:00 p.m., there will be a reception for Fei Tsen at the Harbor Village Restaurant at Four Embarcadero Center.
- (h) There will not be an Agency meeting on April 14, 1992 due to lack of a quorum.
- (i) The Commissioners have been provided with Second Quarter Status Reports on the Agency's Economic Development Service Providers, Young Community Developers, Inc., and Urban Economic Development Corporation serving Hunters Point/South Bayshore, India Basin and the Western Addition areas.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in proposed Resolution granting a Variance for Off-street Parking; Western Addition A-1 and A-2.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Gene Suttle, Senior Deputy Executive Director, introduced item (a), which requests authorization to grant a Variance to Western Commercial Partnership I (WCP-I), modifying the off-street

parking requirement for the building located at the southwest corner of Webster Street and Geary Boulevard in the Western Addition A-1 and A-2. This completed development consists of 156 residential units and approximately 66,000 square feet of commercial space. The required parking for this project is provided by a below grade parking garage and a portion of the Safeway parking lot. The office portion of the building constructed by Western Commercial Partnership II (WCP II) at Fillmore between Ellis and O'Farrell Streets requires 80 parking spaces which was to be satisfied at a location within 800 feet of the building, a potential location for which was Parcel 732. In 1989 the Agency entered into a Land Disposition Agreement (LDA) with Fillmore Renaissance Associates for the development of a portion of Parcel 732 which included a provision for the construction of 80 parking spaces to be purchased by WCP II to satisfy their parking requirement. The construction costs generated as a result of the Fillmore Renaissance design studies established the fact that the provision of additional parking spaces for the WCP II project was very expensive and would affect the marketability of the WCP II office space. In addition, the inability of WCP II to give potential tenants assurance of parking because of delays in the Fillmore Renaissance project proceeding, also has affected the marketability of the office space. Re-examination by staff of the WCP I, WCP II and Safeway developments indicates that 52 spaces in the WCP I project are available to satisfy the 80 space requirement. This variance request would allow WCP I to go to attendant parking thereby increasing its capacity by 28 cars. Together with the 52 available spaces, this would total the required 80. There were a number of outstanding issues between the Agency and WCP II related to the variance which have now been satisfactorily resolved.

Arnold Townsend, representing WCP I & II, indicated that due to time constraints a check for \$29,500 covering Fillmore Renaissance design expenses and legal fees incurred by the Agency and a lease agreement have not yet been submitted but will be forthcoming shortly.

It was the consensus of the Commission that approval of this item be conditioned upon receipt of the two outstanding items.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-92, AS AMENDED, BE ADOPTED.

- (b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests authorization of selection and entering into discussion for an agreement with St. Patrick's Day Care Center to operate the Child Care Center on Central Block 3 (CB-3) in Yerba Buena Center. Subsequent to presentations at an Agency

meeting in August 1991 by three operators, the Child Care Advisory Committee thoroughly evaluated the responses by conducting site visits and interviews. They were assisted by staff from the Mayor's Office of Child Care, Keyser Marston Associates and Agency staff. All three operators have excellent programs, however, the Committee was impressed with St. Patrick's current operation and commitment to significantly expand the number of child care slots available in the South of Market without reducing any services in their existing program. In addition, the strong community support for this organization will assist in the difficult task of filling the market rate spaces in the facility. It is proposed that the Agency assist the operator in formulating a detailed market plan and provide other technical assistance to assure success of the project.

Judith Baker, St. Patrick's Day Care Center, expressed appreciation to the Child Care Committee for their efforts.

Acting President Mardikian indicated that he concurred with Ms. Sause's comments regarding the excellent programs of all the applicants.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-92 BE ADOPTED.

- (c) Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which requests approval of the Program, Budget and Master Plan for the Children's Center facilities on Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. At a workshop on October 29, 1991, Architect Adele Santos and Landscape Architect M. Paul Friedberg presented two alternatives for the program and master plan of the Children's uses on CB-3. One alternative presented only the original Agency program for: a child care center, an ice rink, a 'children's' place, a carousel and a children's garden. The other alternative, to which Agency has not committed, included a bowling center requested by members of the South of Market community. Because major concern was expressed at the estimated cost of \$40 million for the CB-3 project compared to an earlier estimate of \$25.2 million for improvements and a \$6 million endowment for the children's place, staff worked with the architects and the architect's cost estimator to devise strategies for controlling project costs which were reviewed at a public workshop held on February 25, 1992. At the February workshop, the Commission indicated that it would consider funding the bowling center for \$3.8 million, while retaining full funding for the Children's Place operating endowment of \$6 million. Final review by the Project's Cost Estimator led to a further recommendation that the annual inflation factor for the project be adjusted upward to approximately 4 percent in anticipation of improving economic conditions. These adjustments result in a final recommended proposed budget of \$43.8 million with potential bid alternates up to \$4.355 million if additional funds are available at the time bids are received. Budget sources for the recommended program are: \$25.2 million originally budgeted for CB-3; the \$6 million

Minutes of a Regular Meeting, April 7, 1992

endowment budget; \$1.6 million transferred from the CB-2 budget for the West Garden; \$1.2 million from the budget for the 4th Street bridge which it is recommended be deleted; \$2.6 million for escalation which has occurred since the original budget was estimated in early 1990; \$3.3 million to further adjust the budget for possible future escalation; and \$4.1 million for the bowling center and other program adjustments. The remaining Olympia & York payments of \$14.6 million for the Central Block 1 Office Building would provide the initial funding for CB-3 and are scheduled to occur prior to CB-3's construction start in late 1993.

Mr. Helfeld noted that Commissioners Mardikian and Kitahata had attended a public meeting at the Salvation Army Facility, 360 Fourth Street on April 7 regarding the CB-2 Entertainment/Retail uses.

John Elberling, Tenants and Owners Development Corporation (TODCO) noted his support of the proposed CB-3 program and thanked the Commissioners and staff for their efforts.

Mr. Kitahata noted his concern at the costs involved.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-92 BE ADOPTED.

- (d) Edmund Ong, Chief of Architecture, introduced item (d), which requests authorization of an Eleventh Amendment to the Architecture Agreement with MGA Partners, which increases the amount payable by \$174,000 in connection with Yerba Buena Center. Although coordination of the Esplanade construction documents is included in the base fee for MGA, Moscone Center expansion coordination items caused by field changes to the original Moscone Center expansion construction documents, upon which the Esplanade construction documents were based, required the architects to redo drawings which had already been completed. The final construction documents phase of work was originally scheduled to take six months and the architect's base fee was calculated based on that amount of time. However, actual time expended on this phase was ten months because of an unanticipated amount of time needed to complete community review and design resolution of the esplanade fountain and the Martin Luther King, Jr. memorial. Funds are available within the design contingency amounts included in the overall Yerba Buena Gardens budget and also within the Fiscal Year 1991-92 Agency budget for design and construction of the Gardens. The Commissioners have been provided with details of MGA's affirmative action program, which staff finds acceptable.

Mr. King noted his concern at MGA's affirmative action program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-92 BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (e), which requests authorization of a Second Amendment to the Land Disposition Agreement (LDA) with Harrison Development, Inc. (Lawrence Lui) for Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. Subsequent to authorization of the LDA in December 1990 for the development of a neighborhood-serving shopping center and two live-work units, all design development has been completed in accordance with the LDA performance schedule and the Developer has made significant efforts to solicit interest from retail tenants. Although a strong letter of interest in financing the project has been obtained from Hong Kong Bank, the Developer is unable to meet a 60 percent preleasing requirement of the lender and additional time is being requested to accomplish this. The revised performance schedule calls for submission of evidence of financing by December 18, 1992 and conveyance of the site by March 11, 1993. Staff recommends approval of the requested extension subject to payment by the Developer of a 10 percent Opportunity Cost Fee of \$22,500, payable quarterly, to compensate the Agency for delaying the payment of land sales proceeds. If a reappraisal process results in a price increase, the LDA will be amended to incorporate the new land price.

Mr. Kitahata emphasized the importance of the project being a neighborhood serving development that benefits all sectors of the community and Ms. Sause indicated that this is an LDA requirement which staff is monitoring carefully.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-92 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Sixth Amendment to the Personal Services Contract with Keyser Martston Associates (KMA) for Economic Urban Land Consulting Services in connection with Yerba Buena Center. KMA's ongoing services are required to provide real estate development and economic consulting services, particularly in connection with the solicitation and selection of a developer for the Central Block 2 Entertainment/Retail Parcel as well as consultation and marketing assistance with other properties in Yerba Buena Center. The proposed amendment increases the amount payable by \$45,000 for a total contract amount of \$280,000 for services rendered over a six year period. The Commissioners have been provided with details of the firm's affirmative action program, which staff finds acceptable.

John Elberling, Tenants and Owners Development Corporation, suggested KMA do a conservative market analysis for the CB-2 retail.

In response to an inquiry from Mr. King, Mr. Helfeld indicated that, although there has been an overall reduction of women in the workforce, minority representation has increased and there is an African-American partner.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-92 BE ADOPTED.

- (g) Michele Davis, Housing Development Specialist, introduced item (g), which requests authorization of an Owner Participation Agreement (OPA) with FTP Investment Corporation for 2295 Bush Street located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The Developer proposes to construct 36 condominium units above 6,000 square feet of ground floor commercial space and requisite parking with construction to start by May 31, 1994. The current owner, with whom FTP Corporation has entered into a purchase agreement, has a lease with Shell Oil Company which runs through April 1994. Shell maintains a sublease with an operator who provides a full service station and automated car wash which would be demolished if the OPA is approved. In April 1991, the Developer withdrew an OPA request which included a performance schedule that would have required the project to comply with the Agency's Housing Participation Policy because it included a performance schedule that was significantly more protracted than normally approved. In December 1991, approval was requested of an OPA application which included a performance schedule that was consistent with the Agency's regular practice, however, the Commission did not approve the project at that time. Staff recommends approval of the OPA with a slightly protracted timetable for development and no inclusion of affordable housing. The performance schedule calls for commencement of construction by May 31, 1994 and completion within 24 months but no later than December 31, 1995. Certain design issues raised by the Agency have been satisfactorily addressed and an acceptable affirmative action program agreed upon. Prior to issuance of a demolition permit, the developer would be required to provide evidence acceptable to the Agency's Executive Director of compliance with the City's Gasoline Station Ordinance No. 288-91 and any subsequent amendments.

Palmer D. Sessel noted that the Western Addition Neighborhood Association (WANA) will be meeting on April 15, 1992 and requested this item be continued to April 21 in order to give consideration to comments by WANA members.

In response to an inquiry from Mr. Sessel, Ms. Davis indicated that the current request does not require the developer to comply with the Agency's affordable housing contribution because the proposed performance schedule is considered to be reasonable. In addition, the developer has agreed to comply with the City's Gasoline Station Ordinances.

David Madway, Agency General Counsel, indicated that it has been concluded as a matter of law that the Agency has little leverage to seek an affordable housing contribution in this case because the proposed use for this site is in compliance with the Redevelopment Plan. With regard to ordinances enacted by the City seeking to discourage the closure of service stations, those ordinances are not technically applicable to the redevelopment

Minutes of a Regular Meeting, April 7, 1992

project area. However, a number of Commissioners have expressed concern that the Agency at least consider whether the criteria set forth in those ordinances has been met and the developer has agreed that this is appropriate as a condition precedent to demolishing the station. It is contemplated that staff will prepare a report assessing this action in light of the ordinance which will be provided to the Executive Director who will make a determination whether it is appropriate to proceed to take action to demolish the service station.

Mr. Kitahata noted that WANA has requested this item be continued for two weeks.

David Cincotta, representing FTP Corporation, noted that WANA has held two meetings at which this development was discussed. The project has not changed substantially since that time and he did not feel there would be anything gained by delaying the matter.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-92 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) The following speakers noted their concern regarding the lack of opportunity given to African-American businesses and non-compliance with the Agency's minority hiring goals in Redevelopment Projects in Bayview/Hunters Point. They further protested the denial of work to August Sanford, San Francisco Interior Builders, in connection with subcontract work at the Hillside Village development in Hunters Point: Claude Carpenter; President, African-American Contractors of San Francisco; August Sanford, San Francisco Interior Builders; Samuel Murray, New Bayview Committee; Genie Bowie, African-American Mothers Alone; Louise Vaughn; Willie Ratcliff; Ocie Mae Rogers; and Wally Shepherd.

Dr. Rhody McCoy, Developer, described the background of the dispute and noted that there had never been an agreement with Mr. Sanford to perform the work. In addition, work performed at the City View development by Mr. Sanford had not been satisfactory.

Acting President Mardikian noted that this appears to be an issue between Dr. McCoy and Mr. Sanford which is not within the purview of the Commission. However, staff should investigate the allegations that minority hiring goals are not being met.

An extensive discussion ensued between the Commissioners, Dr. McCoy, staff and the public, following which Mr. Helfeld indicated that the issues raised will be investigated and a report made to the Commission.

Minutes of a Regular Meeting, April 7, 1992

Mr. Sanford noted his concern at the Developer's indication that his firm is not qualified to perform the work and Acting President Mardikian indicated that there will be a specific report on that matter.

Acting President Mardikian announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Street in Hunters Point with Progress Seven, Inc.; and

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

There is an additional Closed Session item which arose subsequent to posting on the agenda on Friday, April 3, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

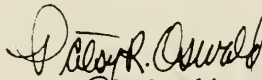
MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON APRIL 3, 1992.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Taldan Investment Co.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 28, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF APRIL, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of April, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, President (Arrived 6:05 p.m. during
the Closed Session)
Haig G. Mardikian, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata

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and the following was absent:

None

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The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Austin J. Thompson and Sherilyn L. Williams, Bayview-Hunters Point Foundation for Community Improvement; John Norton, Bayside Village Associates; Alvin P. Norman, Al Norman Plumbing; Richard Brown Ella Hill Hutch Community Center; Dr. Rhody McCoy, Future Perfect, Inc.; and Ocie Mae Rogers.

Representing the press were: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of March 10, 17, and 24, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Sessions of March 3, 17, 24 and April 7, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

Minutes of a Regular Meeting, April 21, 1992

- (a) There are three additional Closed Session items to add to the agenda. Two items are regarding Real Property Negotiations and the other item is on Personnel.
- (b) The Agency's Spring Newsletter has recently been issued which includes information on the Agency's significant contribution to the construction industry in the City.
- (c) San Francisco Housing Development Corporation (SFHDC) recently conducted two workshops at the Southeast Community College in Hunters Point to generate prospective low- and moderate- income buyers for the 62 two-bedroom units at Hillside Village. Approximately 77 people attended the first workshop on April 8 and 220 people attended the second workshop held on April 11. Information was distributed to all participants and presentations were made by SFHDC, Future Perfect and Agency staff.
- (d) The Agency has been approached by Hornblower Yachts regarding the possibility of locating on Pier 40 and staff suggested to them that since they are a Port tenant they should discuss this with the Port.
- (e) There will be a groundbreaking for the Esplanade on May 6, 11:30 a.m. to 1:00 p.m. The speakers will be Mayor Jordan, Kevin Shelley, President of the Board of Supervisors, Buck Bagot, President of the Redevelopment Agency Commission and the Mistress of Ceremonies will be Belva Davis of TV Channel 4.
- (f) Agency staff member, Mario Menchini, on his own initiative, undertook an analysis to ascertain whether all the parcels in Redevelopment areas are being appropriately counted within the areas for the purpose of calculating the tax increment for each area. He found a substantial number of parcels, particularly within Yerba Buena Center and Western Addition areas which had not been counted in the Assessor's and Controller's calculation of tax increment. He presented this analysis to the Assessor's staff who concurred with his analysis. The result is that the tax increment flow from these areas has been increased by over \$1 million annually, an increase of 5 percent in the total. This is particularly important at a time when real estate values are increasing much more slowly than before, yet there are very real pressures on the Agency's budget and debt capacity.

Acting President Mardikian, on behalf of the Commission, expressed appreciation to Mr. Menchini for this important contribution.

NEW BUSINESS

Mr. Helfeld requested that item (a), which relates to the revitalization of 24th Street, be considered later in the meeting because it is anticipated that there may be persons wishing to speak on this matter who are presently attending a meeting at the Mayor's Office.

Minutes of a Regular Meeting, April 21, 1992

- (b) Thomas Conrad, Chief, Planning, Housing and Programming, introduced item (b), which requests determination that the function and services provided by the Bayview-Hunters Point Foundation for Community Improvement (Foundation) meet the definition of a community facility as provided for within the India Basin Industrial Park Redevelopment Plan and is therefore a permitted land use in any land use district under the Plan. The Foundation, which is a non-profit community-based health and human service agency, has an option to purchase an industrial building at 1403 Evans Avenue in which it is proposed to consolidate a number of programs which are currently housed at 13 different locations. Although a principal objective of the Redevelopment Plan was to draw labor-intensive industrial uses into the area to provide job opportunities for unemployed and underemployed residents of the Bayview/Hunters Point, community and public facilities may be located in any use district in the project area subject to approval of the Agency. The Foundation has applied to the California Health Facilities Financing Authority for approximately \$4.5 million to acquire and renovate the property and a land use determination needs to be made as soon as possible to facilitate efforts to obtain this financing. Following review by architectural staff to assure that the conversion of the property to a community facility will meet the property development standards of the Plan, an amendment to the original Land Disposition Agreement will be scheduled at a public hearing on May 5, 1992 for Commission consideration.

Austin Thompson, Chief Executive Officer, Bayview-Hunters Point Foundation for Community Improvement, requested approval of item (b).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-92 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in a Variance to Sara Lee Corporation (Gallo Salame) permitting continued Light Industrial Use on the northwest corner of First and Brannan Streets; Rincon Point-South Beach.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Thomas Conrad, Chief, Planning, Housing and Programming, introduced item (c), which requests approval to grant a minor Variance to Sara Lee Corporation (Gallo Salame) permitting continued Light Industrial Use on the corner of First and Brannan Streets in Rincon Point-South Beach. The parcel, which is designated by the Redevelopment Plan for residential use, had a limited term for light industrial use which has now expired and the existing food processing use is therefore not in conformity with the Plan. However, the Plan does provide for granting of minor variances from the land use provisions and it is proposed to permit the existing light industrial/manufacturing use to continue for as long as Gallo continues to operate its manufacturing facility on the adjacent parcel. It should be

noted that there is an error in the public hearing language on the agenda which refers to Consolidated Foods Corporation rather than Sara Lee Corporation in relation to the variance.

John Norton, Bayside Village Associates, noted his opposition to this item because late evening trucking activities related to Gallo's plant operations are disruptive to residents of the nearby Bayside housing development.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

Mr. Helfeld indicated that the Rincon Point-South Beach Citizens Advisory Committee voted to support the variance. It is anticipated that the parcel will be designated for residential use in the future, however, given the number of jobs involved, staff recommends approval of the variance. He indicated that the concern raised by Mr. Norton will be discussed with Gallo in efforts to mitigate the problem.

Mr. King indicated that when the residents moved into Bayside Village they were aware of the development's proximity to the waterfront and related industries. He noted his support of the variance because it is important to retain as many blue collar jobs as possible.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-92 BE ADOPTED.

- (d) Robert Gamble, Deputy Executive Director, Finance, introduced item (d), which requests authorization of a Resolution of Intention to issue refunding mortgage revenue bonds in an aggregate principal amount not to exceed \$75,000,000 for the following housing developments: Wharf Plaza II, Northridge, Serenity Towers, Mariposa Apartments, Mercy Terrace and Cathedral Hill Plaza West and transmitting a request for approval of such bonds to the Board of Supervisors. During the 1980's the Agency issued numerous multi-family housing revenue bonds for the development of rental projects, at which time the interest rates were significantly higher than current prevailing rates. It has been determined that the six projects identified have potential for refunding and may be able to realize substantial savings on interest payments if the original bonds were fixed-rate bonds with an option to be refunded with new bonds at lower interest rates. As a condition of refunding the bonds the Agency can negotiate with the project owner for extended affordability restrictions and, based on pending Federal legislation, share in the financial savings accruing from reduced interest payments which could be used to finance additional affordable housing projects. It is also a HUD requirement that certain bonds issued at below-market rates in the early 1980's be refunded if substantial savings will occur. It will require specialized analysis to determine the feasibility of refunding for each of the projects and recommendations of financial advisors and

Minutes of a Regular Meeting, April 21, 1992

underwriting teams will be brought before the Commission for consideration in the near future. Final approval of refunding transactions will be before the Commission on an individual project basis. It should be noted that the Cathedral Hill Plaza West project may be in danger of defaulting if it is not refunded with tax-exempt bonds because its Letter of Credit expires on December 1, 1992 which triggers a mandatory redemption of the bonds and, with that, the loss of low-interest tax-exempt financing. If the bonds are redeemed without a refunding, the project owner would be required to find conventional financing at a higher interest rate, thereby jeopardizing the project's financial solvency.

ADOPTION: IT WAS MOVED BY Mr. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-92 BE ADOPTED.

- (e) Jack Robertson, Housing Development Specialist, introduced item (e), which requests authorization for the Agency to apply for funding from the California Housing Rehabilitation Program (CHRP) for the rehabilitation of 214 6th Street in the South of Market. The Agency has entered into a purchase agreement for the vacant 69-unit Hugo Apartment building located at 214 6th Street which was damaged in the October 1989 earthquake and has been identified by community residents as a high priority for acquisition and renovation. Staff recommends selecting a non-profit developer for the site, to whom the purchase agreement would be assigned. The Agency would then provide acquisition financing to the developer similar to financing provided under the City-wide Tax Increment Program. Since the issuance of a Request for Qualifications and developer selection will take six to eight weeks, staff recommends applying for remaining State rehabilitation funds before they are exhausted. CHRP recently issued its final notice of funding availability and additional funds will not be available unless another State bond issue is approved by the voters which would not be on the ballot until November 1992. If a funding commitment is obtained it could be assigned to the selected developer. If not, the project may be financially infeasible and the Agency may wish to reconsider acquiring the property. Closing must occur by July 2, 1992 and during the escrow period staff is taking steps to determine the extent and cost of necessary rehabilitation which is expected to be expensive because of the advanced state of disrepair of the building. Therefore, the leveraging of non-local funds is essential to the financial feasibility of the project.

Alvin Norman, Al Norman Plumbing, requested minority participation for this project in excess of normal requirements and suggested setting up a \$1 million revolving loan fund using tax increment monies to assist minority contractors.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-92 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests approval to transmit a recommendation of support to the City's State Legislation Committee on Senate Bill 1927 (Greene) and a recommendation of support with amendments on Senate Bill 1711 (Bergeson). Senate Bill 1771 would make substantial changes in the State Community Development Law intended to strengthen the enforcement of the low and moderate income housing requirements and make other significant changes in the Redevelopment Law, some of which expand the powers of redevelopment agencies and some which would add major restrictions. Staff recommends support of the Bill with certain amendments, details of which have been provided to the Commission. On a number of current tax-exempt bond issues, the affordability term is ten years, but the term of the bonds is longer, so borrowers could continue to receive the tax-exempt benefit on their mortgages without keeping units affordable. Senate Bill 1727 would require that as a condition of refunding Tax-Exempt Multifamily Housing Bonds to take advantage of lower interest rates, the projects must keep the below market units affordable for as long as the new bonds are outstanding.

Mr. Kitahata referred to S.B. 1711 and noted his opposition to staff recommendations to: support authorization for the State Attorney General to enforce State Redevelopment Law pertaining to the expenditure of Housing Funds and to the conditions that must be met prior to establishment of a redevelopment plan; and transfer of funds to the local housing authority by agencies that do not comply with the requirements of spending the 20 percent Low- and -Moderate Income Housing Fund within five years. He noted he would rather see an Agency, such as SFRA, have an ability to capture those funds for housing.

Following a discussion between the Commissioners and staff, it was the consensus of the Commission that staff recommendations be approved with the exception of the two items opposed by Mr. Kitahata.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-92, AS AMENDED, BE ADOPTED.

Acting President Mardikian indicated that item (a) would now be considered.

- (a) Lucia Mele, Economic Development Specialist, introduced item (a), which requests approval of an Implementation Plan for the 24th Street Revitalization Plan and authorization to allocate \$1 million to implement the Plan. The 24th Street Revitalization Committee is a coalition of community organizations that has been working for the past several years toward the revitalization of 24th Street in the Mission District with one of the chief priorities being to preserve San Francisco's Latin American community. The initial funding request to the Agency was for \$2.175 million and subsequently the Commission approved staff's recommendation to request the Board of Supervisors amend the

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Agency's 1991-1992 budget to add \$1 million for commercial revitalization of 24th Street and increase the Agency's Tax Allocation of \$100,000 in order to fund the 24th Street Revitalization and Economic Development Program. The \$1 million in tax increment bond proceeds thereby issued would then be exchanged for \$1 million in Community Block Grant Funds in order to use the funds for non-housing development costs outside of an existing Redevelopment Project Area. The Commission further requested staff return with a specific program to be implemented with the \$1 million conditioned upon approval of the request by the Board of Supervisors. On April 1, the Board of Supervisors' Budget Analyst issued a negative recommendation to the Finance Committee on the Agency's recommendation and the item has been tabled to April 29. Based upon discussions between the Committee, the City and the Agency, final recommendations have been made regarding specific allocation of the approved funds and implementation of programs to provide optimum community benefit. It is proposed to allocate: \$720,000 for property acquisition (Community Development Investment Fund); \$240,000 for a working capital loan fund; and \$40,000 for public space/street improvements.

Mr. Helfeld indicated that, although the Budget Analyst is opposed to this item and calling for continuation by the Finance Committee, staff is still recommending approval.

Ms. Bolanos thanked staff for their assistance and support of this project. She noted that the timing for this item is unfortunate because a meeting is presently taking place at the Mayor's Office with the Latino community which has precluded their attendance at the Agency meeting. There is a new role for the Agency in the Mission which is in response to a request for redevelopment assistance from the community.

ADOPTION: IT WAS MOVED MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (g) Mr. Helfeld indicated that staff has been working on a process to develop the Central Block 2 Retail/Entertainment parcels in Yerba Buena Center. Given the current state of the real estate market, an initial mechanism is being explored to determine if there are any interested parties with the necessary financial capacity.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Bolanos, Mr. Mardikian indicated the purpose of Friends of Redevelopment is to support redevelopment activities and the meeting on April 1st was productive and well attended. He requested the Commissioners be provided with a list of attendees as there may be other names they wish to add to the Committee.

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Mr. Helfeld noted that the Steering Committee is comprised of Charlotte Berk, Walter Newman, former Agency Commissioners, and Dr. Daniel Collins.

- (b) Mr. Kitahata noted that Caltrans is having a hearing on May 5, 1992 on the land that has been freed-up by the demolition of the Central Freeway and Mr. Helfeld indicated that the Agency will be represented at the meeting though he believed the meeting would focus on where the new ramp would be placed. The issue will be how much property will be left to develop after the placement of the ramp.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Richard Brown, Program Coordinator, Ella Hill Hutch Community Center (EHHCC), indicated that he was appearing before the Commission, on behalf of Leonard Gordon, Executive Director of EHHCC, to request an investigation be made into problems between EHHCC and Agency staff.

Mr. Helfeld indicated that a report will be made on this matter at the April 28, 1992 meeting.

Acting President Mardikian announced that there would be three Closed Sessions pursuant to Government 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Street in Hunters Point with Progress Seven, Inc.; and

San Francisco Shipyards with the United States Navy.

There will also be a Closed Session pursuant to Government Code Section 54956.9(a) regarding litigation. The name of the case is: Independent Housing Services, et al vs. Fillmore Center Associates, et al.

There are three additional Closed Session items which arose subsequent to posting of the agenda on Friday, April 17, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commissioners members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON April 17, 1992.

Minutes of a Regular Meeting, April 21, 1992

Two items are pursuant to Government Code Section 54956.8 regarding real property negotiations. Property locations and entities the Agency may negotiate with are:

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Co.; and

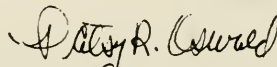
Central Block 2 in Yerba Buena Center with the Center for the Arts at Yerba Buena Gardens.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation and Personnel. The meeting adjourned at 5:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 26, 1992

31
R35
#4
28/92

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF APRIL, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 5:00 o'clock p.m. on the 28th day of April, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Leroy King
Gary Kitahata

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and the following was absent:

Sonia Bolanos

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Richard Brown, Ella Hill Hutch Community Center; Harry L. Jamerson; Stan Smith, San Francisco Building Trades Council; Francine McKinney, San Francisco Housing Development Corporation; Darlene Williams, Housing Conservation and Development Corporation; and James Gibson; VZ Construction; and Rich Sorro, Mission Hiring Hall/South of Market Employment Center.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and carried, with President Bagot abstaining because he was not present at the meeting, that the minutes of the Regular Meeting of April 7, 1992, as distributed by mail to the Commissioners, be approved.

President Bagot referred to the discussion at the April 7, 1992 meeting regarding the Strategic Plan and indicated that a Sub-Committee of Commissioners Bolanos, King and Kitahata who had expressed an interest on serving on the Committee would be appropriate.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It is proposed to add an item to the Regular Agenda regarding a contract between the Mayor's Office of Economic Planning and Development and San Francisco Housing Development Corporation.

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It is also proposed to add an item to the Closed Session Agenda on Personnel.

- (b) The Commissioners have been provided with Quarterly Status Reports on the Agency's service providers: Ella Hill Hutch Community Center; Mission Hiring Hall/South of Market Employment Center; and Mission Economic Development Association (MEDA). It is requested that any discussion on MEDA be postponed because issues have been raised which need further review.
- (c) The groundbreaking for the Esplanade will be held on May 6, 11:30 a.m. to 1:00 p.m., in the meadow on the south side of Mission Street between Third and Fourth Streets in Yerba Buena Center.
- (d) The City Planning Commission will be hearing items on the Rincon Point-South Beach Amendment to the Design for Development and Amendment to the Redevelopment Plan on April 30 at 3:00 p.m. The Plan Amendment will be before the Board of Supervisors on May 4 at 3:00 p.m. If any Commissioners can attend, it would be helpful.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that it is believed the only matter that could be controversial is the complaint by Bayside Village Associates regarding late evening trucking activities related to the Gallo Salame's plant operations. However, discussions between the two parties are in process and it is hoped the matter can be satisfactorily resolved.

President Bagot requested a courtesy call be made to Supervisor Migden regarding the Plan Amendment hearing which will be before the Board of Supervisors on May 4.

- (e) Mayor Jordan has named a new Chinatown Economic Development Group which is responsible for implementing a \$2 million Redevelopment Plan for revitalizing Chinatown's economy. Former Agency Commissioner Fei Tsen has been appointed as one of the thirteen members.
- (f) In response to a request from Ms. Bolanos, the Commissioners have been provided with an informational memorandum on the "Friends of Redevelopment" meeting held on April 1.
- (g) Gene Suttle, Senior Deputy Executive Director, reported on Richard Brown's complaint at the April 21, 1992 meeting of difficulties encountered by the Ella Hill Hutch Community Center working with the Agency's affirmative action staff. The issues raised, which are monitoring, placements and receiving reports on contractors out of compliance, have been discussed and significant progress has been made towards resolution..

Richard Brown noted that there seems to be a misunderstanding and he was not complaining about Agency affirmative action staff, but only one staff member. There have been discussions and it appears the problems can be resolved satisfactorily.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot indicated that Stan Smith of the San Francisco Building Trades Council has requested a presentation on the Agency's budget, particularly as it relates to affordable housing.

Mr. Smith noted that more cooperation is needed from the Ella Hill Hutch Community Center than in the past on conditions for workers and a hearing by the Commission will be requested.

President Bagot noted the importance of support by individuals and organizations of the Agency's budget and suggested it is crucial presentations be made to brief the housing groups, employment centers, the Finance Committee and the President of the Board of Supervisors on the Agency's budget.

Mr. Helfeld indicated that the budget has been transmitted to the Mayor's Office but there has been no response, however, a meeting with the Mayor's Budget Office is scheduled for April 30. If there is a problem with the budget, as submitted, then it will be appropriate for the Commissioners to talk to the Mayor and Board of Supervisors. The Commissioners will be advised of the results of the meeting.

- (b) In response to an inquiry from President Bagot regarding staff memorandum on the 9th Circuit's decision in the litigation brought by Local 2 of the Hotel Employees, Restaurant Employees Union against the Marriott Hotel, Jennifer Bell, Deputy General Counsel, indicated that this was just to report that the District Court's decision was overturned and the Commission will be kept informed of any further developments.
- (c) In response to an inquiry from President Bagot, Chris Haw, Mayor's Office of Housing and Community Development, indicated that the Mayor's Office of Economic Planning and Development will continue coordinating with the Agency. The Agency continues to fund and monitor the service providers monitoring the service providers.

Rich Sorro, Mission Hiring Hall/South of Market Employment Center (SMEC), responded to questions from President Bagot regarding SMEC's program.

- (d) In response to an inquiry from President Bagot regarding the possibility of scheduled payments in connection with Yerba Buena Center not being received from Olympia & York if they declare bankruptcy, Mr. Helfeld indicated he is meeting with Sandy Frucher on April 30 when it is hoped there will be clarification.

In response to an inquiry from Mr. Mardikian, Mr. Helfeld indicated that Agency General Counsel is researching whether Olympia & York could make a claim on payments already received in the event they declared bankruptcy.

NEW BUSINESS - CONSENT AGENDA

At the request of President Bagot, item (b) was removed from the Consent Agenda and considered as Regular Agenda item.

- (a) Authorizing a Loan Program Modification to the Affordable Condominium Program; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 82-92 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requested authorization of continuing Exclusive Negotiations, until July 29, 1992, with Housing Conservation and Development Corporation (HCDC) for Site HH-1, the Hunters Point School Site, located on the southeast corner of Ingalls Street and Kiska Road, in and adjacent to the Hunters Point Redevelopment Project Area.

In response to an inquiry from President Bagot, Darlene Williams, HCDC, indicated that a number of concerns raised by the community were responded to at a recent meeting. She further noted that the project architect is exploring the possibility of securing professional liability insurance specific to the proposed project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-92 BE ADOPTED.

- (c) William Rumpf, Chief Housing Production and Management, introduced item (c), which requests authorization of the issuance of a Request for Qualifications from non-profit development corporations for the acquisition and rehabilitation of 214 6th Street in the South of Market. The Agency has entered into a \$1.85 million purchase contract for the vacant 69-unit Hugo apartment building located at 214 6th Street with the intent of renovating the building for low-income residential occupancy with ground floor commercial space. At the April 21, 1992 meeting staff was authorized to apply to the State's California Housing Rehabilitation Program (CHRP) for rehabilitation funds and, if successful, the funding commitment would be assigned to the selected project developer with the Agency providing acquisition financing which would be secured by the Agency's standard regulatory agreement restricting development as well as long term affordability levels. Staff has developed a revised floor plan which would reduce the existing number of units but would provide for larger, more livable units, which concept is assumed in the CHRP application. However, the selected developer could be allowed to modify this project design as long as the economic feasibility of an alternative plan is demonstrated. In the event State funds are denied, re-consideration may be given to acquiring the property. Because the purchase contract has a closing date of July 2, 1992, developer selection would need to

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occur prior to that date and it is anticipated a developer recommendation would be brought before the Commission for consideration by June 9, 1992. Developer qualification criteria would include experience in: residential rehabilitation, architecture, design and property management; success in obtaining non-local financing sources; commitments to the Agency's affirmative action objectives and to working with the 6th Street community.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Second Amendment, which increases the maximum amount payable to \$77,120 and extends the contract term, to the Personal Services Contract with Cal State Patrol Services, Inc. for Security Patrol Services at the South Beach Harbor in Rincon Point-South Beach. Cal State Patrol, an African-American owned business, has been providing satisfactory security services at the Harbor for the past four years. It is proposed to increase the contract amount 3.65 percent over the current year cost and extend the contract term for one year.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-92 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) William Rumpf, Chief, Housing Production and Management introduced item (a), which requests authorization of Agency funding in an amount of \$126,000 for a Professional Services Contract between the Mayor's Office of Economic Planning and Development (MOEPD) and San Francisco Housing Development Corporation (SFHDC) in connection with the Hunters Point Homeownership Program. The Agency has funded SFHDC since the Fall of 1990 to provide homeownership counseling and information to prospective applicants for the Homeownership Program. The contract has been administered by MOEPD which avoids duplication of administrative functions and ensures that SFHDC follows similar procedures to other City-funded non-profit housing corporations. \$126,000 was approved in the Agency's fiscal year 1991-1992 budget to continue these services and Commission action is necessary to renew the contract which will cover the period April 1 to August 31, 1992. The Agency's proposed 1992-1993 budget includes \$210,000 for housing marketing and it is therefore anticipated that the contract will be renewed for a full year upon approval by the Board of Supervisors of the Agency's budget.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, April 24, 1992. Pursuant to Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

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MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 24, 1992.

In response to an inquiry from Mr. Kitahata regarding the five month period, Mr. Rumpf indicated that the \$126,000 was set at a level less than a full year and once the Agency's 1992-1993 budget is approved, the funding will be in effect for a full calendar year. The annual budget amount is approximately \$210,000.

Francine McKinney, SFHC, responded to questions from President Bagot regarding the number of market rate units and affordable units in the various projects and indicated that the market rate units are marketed by the developer and the affordable units are marketed by SFHDC. She noted that funding under the program is used to make the units affordable and downpayment assistance to prospective buyers is not in the budget.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-92 BE ADOPTED.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens L.P.; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Co.

There will also be a Closed Session on litigation. The name of the case is Independent Housing Services, et al vs. Fillmore Center Associates, Inc.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, April 24, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 24, 1992.

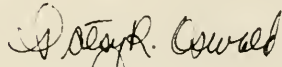
This item is Pursuant to Government Code Section 54959 on Personnel.

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ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation and Personnel. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

May 26, 1992

235
#4
5/12

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF MAY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of May, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata

DOCUMENTS DEPT.

and the following was absent:

None

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ray Jones, Urban Economic Development Corporation (UEDC); Austin Thompson, Sherilyn Williams, Carren Kirkland, and Dennis Sullivan, Bayview Hunters Point Foundation for Community Improvement; Harold B. Brooks, Jr. and Bob Hodges, Bayview Hunters Point Foundation; P.J. Ward, Bob-E Enterprise; Michael Hornstein; Fillmore Marks, Marks Management; John Lane; Arnold Townsend; Rodney Williams, Bay Area Urban League; Arnold Johnson; Kirsten Ervorenant; Arnold Johnson; Mella Dee Hoffman, Harold D. Pyle (Mario), Tom McKnight and Henry Perez, Sixth Street Merchants and Residents Association; Tom Forentz and Andrall Taylor, Sixth Street Merchants and Residents Association; Dino Di Donato, South of Market Problem Solving Council; John Elberling and Bill Sorro, Tenants and Owners Development Corporation; Kerry Abshire, Ella Hill Hutch Community Center; Susan Curry and Anthony Terrell, Bayview Hunters Point Youth Service; Tom and David Plant, Plant Construction Company; and Jim Noonan, McCormick-Morgan.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The City Planning Commission heard and approved items on the Amendment to the Design for Development and the Amendment to the Redevelopment Plan for Rincon Point-South Beach on April 30, 1992. The Redevelopment Plan Amendment for Rincon Point-South Beach was heard and approved by the Board of Supervisors on May 4, 1992.

Minutes of a Regular Meeting, May 5, 1992

- (b) On May 6, the Finance Committee of the Board of Supervisors will hear the item on the \$75 million Multifamily Housing Refunding Mortgage Revenue Bonds.
- (c) The groundbreaking for the Esplanade will take place on May 6 in the meadow on the south side of Mission Street between Third and Fourth Streets in Yerba Buena Center.
- (d) The Commissioners have received invitations to the Open House/Reception for the Artists by Arthouse & the Tenderloin Housing Clinic to be held on May 6 at 133 Sixth Street. This is the Sunnyside Hotel that was funded by the Redevelopment Agency.
- (e) On May 13, the Women's Alcoholism Center will be celebrating the opening of Aviva House at 1724 Bryant Street. The Agency will be receiving an award at the event.
- (f) The first meeting of the Chinatown Task Force appointed by the Mayor will be held on May 5.
- (g) The Commissioners have been provided with the Weekly Economic Development Status Report and representatives of Urban Economic Development Corporation (UEDC) are here to respond to questions.

REPORT OF THE PRESIDENT

- (a) In response to an inquiry from President Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that a briefing on the Agency's budget was scheduled with Stan Smith of the San Francisco Building and Trades Council on May 4, however, Mr. Smith did not keep the appointment.

President Bagot requested he be informed when the meeting is rescheduled.

NEW BUSINESS

- (a) Public Hearing to hear all persons interest in the proposal of the Bayview Hunters Point Foundation for Community Improvement to purchase and use as a community health facility 1403 Evans Avenue; India Basin Industrial Park.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Darby Kremers, Senior Development Specialist, introduced item (a), which requests authorization of a First Amendment to the Agreement for Disposition of Land for Private Development (LDA) with the Bayview/Hunters Point Foundation for Community Improvement (Foundation) which will permit a change of use from Industrial to Community Health Facility at 1403 Evans Avenue in the India Basin Industrial Park. The proposed amendment is to meet the needs of the Foundation, a non-profit community-based health and human service agency, which has an option to purchase an industrial building at 1403 Evans Avenue from

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McCormick-Morgan, Inc. to whom the property was conveyed in 1976 for industrial use. The Foundation proposes to consolidate a number of programs which are currently housed at 13 different locations. Following review of the Foundation's plans to convert the building to a community health facility, staff has determined the proposed land use change is in accordance with the Redevelopment Plan requirements. Because concern was expressed by a number of property owners within the immediate vicinity of the property, a meeting was scheduled for May 4 with representatives of the Foundation and the property owners.

Austin Thompson, Sherilyn Williams and Carren Kirkland of the Foundation made presentations on the Foundations programs and Dennis Sullivan, Project Architect, presented the design concept. It was noted that a meeting was held with property owners in the vicinity on May 4 to discuss their concerns which it is believed can be satisfactorily addressed.

The following persons spoke in opposition to item (a): P.J. Ward, Bob-E Enterprise; Michael Hornstein; Fillmore Marks; Marks Management; and Kirsten Ervorenant.

The speakers requested the matter be postponed to permit further discussions and noted their concerns regarding the change in land use from industrial, the notification process and that the presence of the facility will result in an increase in crime.

The following persons spoke in support of item (a): John Lane; Harold B. Brooks, Jr., Bayview Hunters Point Foundation; Arnold Townsend; Rodney Williams, Bay Area Urban League; and Arnold Johnson.

Mr. Thompson indicated that the Foundation is willing to hold further discussions with the property owners to resolve their concerns.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

In response to an inquiry from Mr. Kitahata, Ms. Williams noted that the hearing had been properly noticed and it would be detrimental to the process to delay the matter since there is a deadline for financing and an obligation to close the transaction by July 1, 1992.

Mr. Mardikian indicated that he did not believe the request by the property owners for a postponement is unreasonable because when the tenants originally moved into the Park they did not envision there would be this type of use which is unusual for an industrial park. In addition, the Agency is at fault in the notification process which did not permit time for dialogue. He noted the need for all parties to meet so the concerns can be addressed.

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In response to an inquiry from President Bagot, Jim Noonan, representing McCormick-Morgan, indicated that he was not prepared to discuss the transaction in public, however, a delay would jeopardize the sale of the property.

Ms. Bolanos indicated that she had not heard any specific concerns regarding the project and that the notice was within redevelopment law. It does not appear that anything can be accomplished by delaying the matter and it is appropriate the amendment be approved with a recommendation that there be further dialogue among the parties involved.

Mr. King indicated that he concurred with Ms. Bolanos and the reasons for opposition to the project are not clear. The project will increase security and provide added protection for the Park's tenants and the community in the area. It is important for communities to live together without fear. In addition, steps should be taken to ensure the Foundation commits to local hiring.

President Bagot suggested implementing a broader notification process and noted he believed the Foundation's presence will be an anti-crime deterrent. He noted that the San Francisco Building and Trades Council is concerned about jobs in the City and they should be notified when this type of land use change is being considered as well as when there are any other issues calendared in which they may be interested.

Mr. Mardikian indicated that the issue of overcoming fear is important and in this instance the Agency has not undertaken to facilitate the necessary dialogue. It is not fair to say the property owners do not have specific concerns because dialogue has not occurred. It is not a typical use and the India Basin Industrial Park could lose its competitiveness.

MOTION: IT WAS MOVED BY MR. MARDIKIAN THAT ITEM (a) BE CONTINUED FOR TWO WEEKS AND STAFF BE DIRECTED TO BE PRO-ACTIVE IN SCHEDULING A MEETING OF THE FOUNDATION AND THE PARK'S TENANTS TO HEAR ALL CONCERNS.

THE MOTION FAILED DUE TO LACK OF A SECOND.

Mr. Thompson reiterated his willingness to work with the property owners to satisfactorily resolve their concerns and noted that the project will enhance the competitiveness of the park.

MOTION: IT WAS MOVED BY MR. KITAHATA THAT APPROVAL BE CONDITIONED UPON: STAFF FACILITATING DISCUSSIONS BETWEEN THE FOUNDATION AND THE PARK'S PROPERTY OWNERS REGARDING THE IMPENDING LAND USE CHANGE AND REPORTING BACK TO THE COMMISSION AT THE MAY 19, 1992 MEETING; AND THAT THE PROJECT DESIGN BE BROUGHT BEFORE THE COMMISSION FOR APPROVAL AT A REGULARLY SCHEDULED PUBLIC MEETING.

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ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-90, AS AMENDED, BE ADOPTED.

President Bagot announced there would be a brief recess. The meeting recessed at 5:55 p.m. and reconvened at 6:00 p.m. with the same roll call.

President Bagot indicated that item (c) would now be taken-up.

- (c) Public Hearing to hear all persons interested in the Redevelopment Plan for the South of Market Earthquake Recovery Redevelopment Project Area.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Michael Kaplan, Project Coordinator, South of Market Earthquake Recovery Redevelopment Project Area, introduced item (c), which requests acceptance of the Biennial Report reviewing the Redevelopment Plan for the South of Market Earthquake Recovery Project Area. Subsequent to implementation of the project area in June 1990, a number of sites have been acquired and development agreements initiated for the development of affordable housing. Economic development activities include implementation of: a Small Business Recovery Fund; a SOMA Cleaning Program; and a Facade Improvement Program. Employment development and placement has been aggressively pursued through a contract with Mission Hiring Hall/South of Market Employment Center serving approximately 2,600 clients. A preliminary Public Improvements Program has been prepared and is estimated to cost \$4 million. With regard to community outreach and planning, the South of Market Problem Solving Council has continued its efforts and activities related to its role as the Citizens Advisory Committee as well as spearheading efforts related to specific social, physical, housing and economic development programs. A Strategic Plan is being prepared through a contract with Tenants and Owners Development Corporation (TODCO) and it is anticipated the final report will be completed by mid summer 1992. Efforts are underway to amend the existing Redevelopment Plan in order to: expand the project area to facilitate additional housing, community facilities and economic development activities; require Owner Participation Agreements to facilitate the rehabilitation of existing SRO hotels and apartment buildings and the development of new housing and commercial; and provide the project with the necessary tools, under Community Redevelopment Law, in order to implement the objectives of the Redevelopment Plan. Adoption of the Amended Plan expected to occur in the late fall of 1992.

The following persons spoke in support of item (c): Mella Dee Hoffman, Harold D. Pyle (Mario), Tom McKnight and Henry Perez, Sixth Street Merchants and Residents Association; Tom Forentz and Andrall Taylor, Sixth Street Photograph Workshop; and Dino Di Donato, South of Market Problem Solving Council.

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In response to an inquiry from President Bagot, Mr. Pyle noted the poor quality management that exists in the single-room occupancy (SRO) hotels in the area.

Mr. McKnight and Mr. Perez expressed appreciation to the Commission, Agency staff, MEDA and SOMPSC for their assistance.

Mr. Di Donato expressed appreciation to the Commission and staff for their support during a time when it is difficult to obtain funds from the private sector. He noted that funding is critical and the programs could not continue without the Agency's assistance. He indicated that he will be leaving San Francisco for one year and would welcome suggestions on nominees for his position at the SOMPSC.

In response to an inquiry from President Bagot regarding fundraising, Mr. Di Donato indicated he would be pleased to have Mr. Bagot accompany him in this connection on a visit to the San Francisco Foundation.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Helfeld noted his pleasure at the enthusiasm and attitudes expressed by the speakers.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-92 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Yerba Buena Center Redevelopment Plan; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests acceptance of the Biennial Report reviewing the Redevelopment Plan for Yerba Buena Center Redevelopment Project Area and reviewing its progress. California Community Redevelopment Law requires the Agency to hold a biennial public hearing for each redevelopment project within its jurisdiction and evaluating its progress. The Commissioners have been provided with a table summarizing the progress in implementing the plan for the past two years. During this period the Moscone Convention Center has been completed and development agreements entered into with three developers for the sites located at: Third and Mission, Third and Harrison and Fourth and Harrison Streets with Griffin, Harborview and Taldan respectively. Construction has commenced on the Center for the Arts, the Museum of Modern Art and the Esplanade. Other activities included: entering negotiations with the Mexican Museum; working with the Parking and Transportation Authority for the construction of 850 additional parking spaces in the Fifth and Mission Garage; and development of the Master Plan for

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Central Block 3. The marketing approach and budget for the Central Block 2 (CB-2) Entertainment/Retail parcel will be before the Commission at the May 12, 1992 meeting and it is anticipated architectural contracts for Central Block 3 (CB-3) will also be before the Commission for consideration during the next few weeks.

John Elberling, Tenants and Owners Development Corporation (TODCO) presented the Yerba Buena "Biannual Report" prepared by TODCO. He complimented the Commission and staff on the successful negotiation of a number of issues, but recommended that the Agency look at a more modest scale and phasing to get some of the developments completed.

There no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Kitahata noted his concern about the CB-3 budget which he does not consider modest and committing to any costs for architectural design for the entire CB-3 project before an operator is identified and an operating plan is in place for the facility. To proceed with the design and development before it is decided who is going to operate it seems to be the wrong sequence of events.

Ms. Sause indicated that an operator has been selected for the Childcare Center and the various committees are dealing with the selection of operators for the other facilities which will result in recommendations being brought before the Commission in the near future. There cannot be a design for one facility without designing the whole complex. However, it is not the intention to complete the design before selecting operators and the architects would only proceed to a certain point.

In response to a concern expressed by President Bagot, Mr. Helfeld indicated a specific budget of \$87.6 million was approved for CB-2 which has not been exceeded.

Mr. Mardikian inquired regarding the designation of open space on CB-3 which was approved by the voters by ballot and whether expansion of the Convention Center on CB-3 would require a reversal of that proposition. Mr. Helfeld indicated that staff would research that issue.

In response to an inquiry from President Bagot, Ms. Sause indicated that the report on the Center for the Arts is expected in two weeks and a public workshop will be held early in June.

Ms. Bolanos indicated that it is anticipated that the report will also be before the Finance Committee of the Board of Supervisors in June.

In response to an inquiry from Mr. Kitahata, Ms. Sause indicated that the Redevelopment Plan terminates in 2006.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Personal Services Contract in an amount of \$78,000 with Terry Allen for fabrication and installation of his artwork for the Esplanade in Yerba Buena Center. Mr. Allen, the artist for the "Shaking Man" sculpture, is one of the four artists selected in April 1991 to develop artwork for the Esplanade. The development of the design for the sculpture was performed under a subcontract between Mr. Allen and MGA Partners, the Agency's architect for the Esplanade. However, because the fabrication and installation of the sculpture requires only minor involvement by the architect or general contractor, Mr. Allen has requested the Agency enter directly into a contract with him for the work. The proposed \$78,000 contract is within the \$90,000 budgeted for the sculpture in the Esplanade construction budget and includes \$25,000 previously authorized to the MGA contract, which will be transferred to the new contract.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata requested that a Strategic Plan for the Agency be calendared for discussion at the May 12, 1992 meeting.

Mr. Helfeld indicated that Kent Sims of the Mayor's Office and Supervisor Willie B. Kennedy have been appointed to work with the Agency on a strategic plan.

In response to an inquiry from Ms. Bolanos, President Bagot indicated that Commissioners, Bolanos, King and Kitahata have been appointed to work on the strategic plan.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

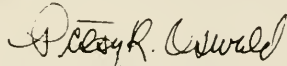
northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Co.

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ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 7:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED

May 26, 1992

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R35
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF MAY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of May, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata

DOCUMENTS DEPT.

and the following was absent:

None

JUN 11 1992

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Mike Mahoney, San Francisco Police Department; and Morris Phillips, Fillmore Market Place Associates, L.P.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 21, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of April 28, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Bagot noted that today is the anniversary of the critique of the overall Economic Development Program in general of the Agency by a large group of Black activists. Although the Agency has had some success, with the Cala supermarket being a notable example, there has been absolutely no improvement on the issue of starting new Black businesses. In fact during the entire year only one Black business has been started which is a yogurt shop in Bayview Plaza. Congratulations are in order to the African-American Empowerment Task Force, particularly Jim Jefferson who is the Chair of the Task Force and also on the

Board of Urban Economic Development Corporation (UEDC), for follow-up on this issue which they highlighted a year ago. Following receipt of UEDC's most recent performance report, the need for improvement has been discussed with staff who pointed out that loan support is restricted solely to the placement of new and existing businesses in the four redevelopment project areas and does not extend to longer established commercial enterprises. Staff will be bringing a recommendation before the Commission to change that policy. There are a number of groups that have had fairly significant success in starting new Black businesses, including the Women's Initiative for Self-Employment (WISE) and it has been suggested to staff that a process be developed whereby basically any non-profit assisting in the start-up of new African-American businesses receive support from the Agency for that activity. I believe staff will hold a hearing on the program recommendations.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There are three items to add to the Closed Session agenda regarding Real Property Negotiations.
- (b) The Commissioners have been provided the Quarterly Report on Mission Economic Development Association (MEDA).
- (c) The Esplanade groundbreaking on May 6 was very successful with Belva Davis of KRON TV Channel 4 as the Mistress of Ceremonies and Mayor Jordan and President Bagot spoke at the event. Commissioners Mardikian, Bolanos and Kitahata were also in attendance. Commissioner King was out-of-town.
- (d) On May 8, an Open House/Reception was held for the Artists by Arthouse & Tenderloin Housing Clinic at 133 6th Street. This is the Sunnyside Hotel that was funded by the Redevelopment Agency.
- (e) The Commissioners have been provided with a letter from the Agency's independent auditors, KPMG Peat Marwick on the 1991 financial audit.
- (f) In connection with the Bayview Hunters Point Foundation for Community Development, which was an agenda item at the May 5, 1992 meeting, staff has contacted the India Basin Business Owners Association and a meeting has been scheduled for May 15, 10:00 a.m., at MMI Partners, 1400 Evans Avenue, at which time representatives of the Foundation, Agency staff and business owners will meet to review the plans and understand the specific concerns of the business owners. Staff will report to the Commission on the results of the meeting.

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- (g) The Women's Alcoholism Center will be holding an Open House on May 13, 11:00 a.m. to 1:00 p.m., at 1724 Byrant Street between 16th and 17th Streets. The Agency will be receiving an award for their participation in this development, which it is understood will be accepted by President Bagot.
- (h) In connection with a newspaper article in the Sunday, May 10, 1992 San Francisco Chronicle regarding Mariner's Village homeowners difficulties in getting condominium fire and property insurance, Byron Rhett, Project Coordinator, has been following up on this problem and the Commissioners will be kept advised of developments.
- (i) The Mayor has designated the Redevelopment Agency as the lead agency for the City's new AIDS housing funds. The City qualifies for approximately \$4.1 million of the \$50 million available nationally for fiscal year 1992.
- (j) Mr. Helfeld noted that the Agency's offices will be closed on May 25, 1992 in observance of Memorial Day.

In response to an inquiry from Mr. Kitahata regarding the differences in two reports on MEDA, Mr. Helfeld apologized for being negligent in reporting to all the Commissioners because of the close involvement of one Commissioner in this matter and it will be an agenda item at the May 19 meeting. He noted that a transition is taking place in the South of Market whereby the functions MEDA is currently undertaking are being transferred to the South of Market Business Association (SOMBA). MEDA has been extremely cooperative during the transition period and rather than be highly critical, the second report was issued which is believed to be more reasonable in view of the situation.

Ms. Bolanos indicated that she had been closely involved and an informational memorandum will be forthcoming shortly which will explain the issues. There is a check list available which explains how the transition has been taking place. The Board of Directors of MEDA and SOMBA are expected to meet shortly and no action can be taken prior to their approval. It is hoped to have a recommendation for the Commission at the May 19 meeting.

Mr. Kitahata noted his concern that the reports were silent on the transition and that all Commissioners should have been fully apprised of the situation.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Fourth Amendment, which revises the Schedule of Performance, to the Land Disposition Agreement with Fillmore Market Place Associates, L.P. for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. It is proposed to construct a 120 unit affordable rental housing development with requisite parking and related amenities, including a community room and childcare facility. In

December 1991, early conveyance of the site was authorized in order to satisfy Low Income Housing Tax Credit Program requirements. Since that time significant progress has been made towards reaching an acceptable design solution and the developer is requesting additional time to incorporate comments made by Agency staff into the design drawings. In October 1991, the developer was awarded a preliminary reservation of tax credits and subsequently received an extension from the Tax Credit Allocation Committee for start of construction because they are applying for additional funding from the California Rental Housing Construction Program which will make its funding commitments by June 1, 1992. In the event the developer receives a commitment, construction would commence by the Fall of 1992. The revised performance schedule calls for submission of evidence of financing by August 15, 1992, commencement of construction by September 1, 1992 with completion within 24 months of commencement.

President Bagot noted that there is a possibility of a further extension being issued by the Tax Credit Allocation Committee because of the slow processing of Rental Housing Construction Program funding applications by the State Department of Housing and Community Development.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-92 BE ADOPTED.

- (b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests approval of the Offering Concept and Marketing Plan for the Central Block (CB-2) Entertainment/Retail Parcel in Yerba Buena Center. Subsequent to the termination of rights and obligations of Olympia & York to the parcel in January 1992, staff has developed a remarketing plan which reflects extensive discussions with developers, cinema operators and the public about the concept. It is proposed to issue a Request for Qualifications, followed by a Request for Proposals from qualified developers. The qualifications phase is intended to minimize the cost involved to developers and select only those developers with the necessary financial capacity and experience to undertake the project. Developer selection is expected to occur by September 1992 with design development to follow thereafter.

Mr. Helfeld indicated that this is the only parcel left on CB-2 to complete the entire block. The focus has been away from the primary concern with retail and is now focusing on theaters as an anchor tenant.

In response to an inquiry from President Bagot, Ms. Sause indicated that a substantial financial return is expected for the City, if not in the early years, in later years.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the program does not require retail. It is

suggested some retail would be appropriate but it is proposed to test the market.

Mr. Kitahata indicated that changes have been made based on community meetings which do address some concerns, although not all, of the Yerba Buena Consortium especially the emphasis on accessibility and other requirements. In the description of the development program there has been an elaboration on restaurant and eating establishments which indicates a broad price range and diverse variety of food choices appealing to a wide range of patrons and visitors to the gardens. It is suggested this be changed to a wide range of visitors and local residents around the gardens. With regard to the section "Neighborhood Serving Retail Along Fourth Street", it is suggested that a description of the neighborhood to be served be included, which would specifically be an older population, but the description should include who they are.

Ms. Sause indicated that Mr. Kitahata's suggestions would be included in the RFQ.

President Bagot referred to the Yerba Buena Consortium's proposal to include a "State of the Art" Community Service Center in the CB-2 program and indicated that, although he is sympathetic to the responsibility the Agency has to seniors living in the housing that the Agency helped TODCO create, it appears it is too late to do a big senior center.

Mr. Kitahata indicated that he believed staff had presented an appropriate response to the Yerba Buena Consortium's proposal.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-92 BE ADOPTED.

- (c) Michael Kaplan, Project Coordinator, South of Market, introduced item (c), which requests authorization of a Matching Grant of \$19,000 to the South of Market Problem Solving Council (Council) to carry out activities related to their function as the Citizens Advisory Committee (CAC) for the South of Market Earthquake Recovery Redevelopment Project Area. Since its designation in July 1990 as the CAC for the Project Area, the Council has performed effectively in assuming responsibility to arrange and conduct meetings of the CAC and the wider South of Market community, as well as spearheading efforts related to specific social, housing and economic issues. A request to supplement the 1991-1992 budget has been submitted in order to expand staffing and effectively continue their activities as the CAC for the Project Area. The Council would match this funding from other sources to hire a new Assistant Coordinator for the remainder of the fiscal year and approximately five months into the next fiscal year to assist in expanded project related activities. Funds are available in the 1991-1992 budget for this purpose. It should be noted that the Council's 1992-1993 budget identifies a \$62,950 Agency grant which includes \$12,950 as a carry over from the \$19,000 Agency grant recommended to be allocated for

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1991-1992 plus a \$50,000 grant from the Agency's 1992-1993 proposed budget. Staff recommends conditions be placed on the \$50,000 grant allocation using the funds as a seed grant so it can be matched with fundraising from the private sector. Another condition would be that to the degree that the Council is more successful in its private sector funding than projected, the Agency's grant allocation from 1992-1993 budget would be diminished accordingly.

President Bagot suggested that in view of the impending departure from the City of Dino Di Donato of the South of Market Problem Solving Council a commendation item be added to the agenda and he be presented with a plaque.

It was the consensus of the Commission that Mr. Di Donato be presented with a plaque in recognition of his outstanding achievements.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), the purpose of which is to discuss a Request for Proposals (RFP) for consultant assistance for the development of a Strategic Plan to determine the future direction of the Agency. Staff has prepared the RFP, following audits by the offices of the Budget Analyst and City Controller, both of whom recommended the development of a strategic plan. It is proposed that staff undertake a significant amount of the work with substantial direction from a Steering Committee consisting of three Commissioners, Kent Sims of the Mayor's Office and Supervisor Willie B. Kennedy. Appropriate community input will also be critical to the success of the effort and a key aspect of the consultant's role during Phase I of the study. The consultant's services are needed to: help structure and organize the plan development process and schedule; facilitate and critique the discussion and analysis elements of the plan; guide and facilitate the community input process; and assist in writing and editing of the plan. Phase I will include: review of the current situation and assistance with assessment of potential City needs; identify potential financial resources; re-define the Agency's mission, goals and objectives; and a recommended action plan and evaluation program. Phase II will project staffing and organization necessary to carry out the desired program.

Mr. King indicated that this could not be done without approval of the Mayor and Mr. Helfeld indicated that the Mayor's Office and the Board of Supervisors have approved the development of a Strategic Plan.

Mr. Mardikian noted that this does not appear to be the traditional role of a consultant, but rather a facilitator which is not clear in the RFP.

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Mr. Helfeld indicated that Phase I calls for the role of a facilitator, however, Phase II will require outside assistance to project staffing needs and organization to carry out what will be the future direction of the Agency. The facilitator would have a subsidiary role in assisting the Steering Committee produce the plan. The language in the RFP will be modified to emphasize facilitation, critiquing and editing upfront as requirements.

Ms. Bolanos indicated she concurred with Mr. Mardikian that it is not clear what type of services are being requested. The RFP lists representatives of the Mayor's Office and the Board of Supervisors, but not the Commissioners who should be included. In addition, there is not any identification of stakeholders which should be looked at as part of the planning process.

Robert Gamble, Deputy Executive Director, Finance, indicated that the identification of stakeholders is envisioned as part of Phase I and not needed at the RFP stage. If the consultants want to understand more about the Agency, information will be provided. There are obviously many stakeholders who could meet with the consultant (s), once selected, however, it was not felt necessary at this time.

Mr. Mardikian noted his concern regarding the process, and that there should be a recommendation to the Commission from the Steering Committee.

Mr. Kitahata indicated that he would prefer staff to begin work immediately before hiring a Facilitator/Consultant on Tasks 1 and 2 of the Strategic Plan because it will be of assistance during the budget process.

Mr. King reiterated that he did not believe it to be appropriate to proceed with preparation of a Strategic Plan until the Agency's budget is determined and there is input from the Steering Committee.

Mr. Helfeld indicated staff is already in the process of preparing a form of Mission Statement which is essentially policies on housing and economic development.

Mr. Kitahata indicated that no matter what is proposed, examples of the Agency's past history will be raised. The Strategic Plan should be prepared in the context that the Agency recognizes what it has done in the past and what is being done now is specifically different and changes the existing structure of the Agency.

Mr. Helfeld noted that the Agency had not done any "bulldozing" for twenty-five years, however, there is a residue of perception which will have to be considered. Discussion today has been for input from the Commission on the process and the next step will be for the Steering Committee to review the document, as amended, and report to the Commission.

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President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is in the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with Caltrans.

There are three additional Closed Session items which arose subsequent to posting of the agenda on Friday, May 8, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON MAY 8, 1992.

These items are pursuant to Government Code Section 54956.8 regarding real property negotiations. Property locations and the entities the Agency may negotiate with are:

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Co.; and

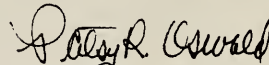
Central Block 2 in Yerba Buena Center with the Center for the Arts at Yerba Buena Gardens; and

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

June 2, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF MAY, 1992

DEPOSITORY
JUN 29 1992
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of May, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- Haig G. Mardikian, Vice President
- Leroy King
- Gary Kitahata

and the following was absent:

Sonia Bolanos (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Wayne Corn, Divisadero Merchants; Berri McBride, Summit Partners; Essie Collins, WACCO; Austin J. Thompson, Bayview Hunters Point Foundation for Community Improvement; and Kevin Haggerty, San Francisco Parking Authority.

Representing the press were: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The first meeting of the Steering Committee to develop the Agency's Strategic Plan is scheduled for June 2 at 2:30 p.m. with Kent Sims of the Mayor's Office, Supervisor Kennedy, Commissioners Bolanos, King and Kitahata and Agency staff.

Ms. Bolanos arrived at this time, 4:20 p.m.

- (b) Byron Rhett, Project Coordinator, India Basin, reported that a meeting had been held with the Bayview Hunters Point Foundation for Community Improvement and eight property owners in the India Basin Industrial Park area. Austin Thompson of the Foundation made an excellent presentation on the Foundation's existing programs and those proposed for the facility in the Park. He satisfactorily addressed questions raised and it was a very productive meeting. A major concern was the drug treatment

programs that it is proposed to operate out of the facility. None of the property owners were aware that those premises are presently operated in a structure on Third Street in another industrial area and they were encouraged to visit that area to investigate whether it creates problems. In addition, the Park's Maintenance Association may expand its responsibilities to deal with security and it is believed the Foundation is going to be helpful to the Association in that regard because they are more experienced in community organizing and dealing with those issues than the property owners are at present.

- (c) It is recommended that item (d), an amendment to the Agency's Small Business Loan and Investment Program, be continued.
- (d) On May 18, the Executive Director was heard on a radio program hosted by former Mayor Agnos during which the Agency's housing and economic development programs were described. Mr. Agnos was particularly interested in the public being informed about the Cala supermarket in the South Bayshore.

NEW BUSINESS

President Bagot indicated that item (f) would now be considered.

- (f) Edmund Ong, Chief, Architecture, introduced item (f), which requests conditional approval of the Schematic Design for the Fifth and Mission Garage in Yerba Buena Center. The expansion will include: a seismic upgrade of the garage and two additional floors of parking resulting in an increase of 841 spaces for a total of 2615; an upgrade of all public areas of the garage; development of pedestrian serving ground level retail along Fourth Street; and modifications to the existing exterior skin of the building. The Fourth Street entrance and two exits will be closed. The Fifth Street entrance will remain open but used only as necessary. The Mission Street entrances will be increased from one to two and the Minna Street exits will remain with two entrances to be added. During the past several months staff has been working on the design with the architect, City Planning and the Arts Commission and finds the Schematic Design conditionally acceptable, subject to the resolution of certain design concerns during the Preliminary Construction Documents phase.

Mr. Ong noted that the architects and representatives of the San Francisco Parking Authority are present to respond to questions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-92 BE ADOPTED.

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests approval of the issuance by the Agency of Multifamily Housing Refunding Revenue Bonds in an aggregate principal amount not to exceed \$46,405,000 for the purposes of its Residential Construction Financing Program for the South Beach Marina Apartments in Rincon Point-South Beach. A year ago interim financing was approved to permit the owners six months to

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negotiate terms of permanent financing with the Department of Housing and Urban Development (HUD) to bring the project out of default. Negotiations with HUD took longer than six months and the first interim financing was extended by an additional six months which expires on May 28, 1992. Although negotiations with HUD have now been completed, potential involvement of new partners in the transaction has raised additional complications which will require additional time to finalize. It is believed efforts should be continued to secure permanent financing because if the project fails over one hundred low and moderate income units and a continuation of property tax payments which support the Agency's tax increment and Mello Roos financing will be at risk. In addition, failure would be detrimental to an otherwise successful project area. Staff and bond counsel believe there has been sufficient progress to warrant this third extension of ninety days.

In response to an inquiry from President Bagot, Mr. Gamble indicated that at the time of the last extension the Developer signed a statement clearly pledging not to discriminate on the basis of whatever supplemental income might be provided. In addition, this is being incorporated as a condition in the Regulatory Agreement.

In response to an inquiry from President Bagot, Mr. Gamble indicated he believed the Developer's affirmative marketing had been satisfactory on the last monitoring.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (e) President Bagot inquired whether the Redevelopment Agency is included in a Charter Amendment being proposed by Senator Quentin Kopp and requested staff provide the Commission with a copy of the document.

Mr. Gamble noted that in a list read by Supervisor Hsieh at the Board of Supervisors meeting held on May 18, the Agency was not mentioned.

Ms. Bolanos indicated that she had received a copy of a proposal from the Labor Council which suggests a merger of Planning and Redevelopment and the elimination of both Commissions.

At this time, 4:35 p.m., Mr. King left the meeting.

NEW BUSINESS (Continued)

- (b) Robert Gamble, Deputy Executive Director, Finance, introduced item (b), which requests authorization of a Note Modification Agreement with Bayside Village Associates in connection with Rincon Point-South Beach. When the Agency provided mortgage revenue financing for Bayside Village, a fee was charged

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totalling \$800,000 for which the Agency took a back note with a five year term. The owners have requested a five year extension on the repayment of interest and principal on this loan which became due at the end of 1991. Subsequent negotiations resulted in agreement being reached on a one year extension at a fixed rate of 8.5 percent compounded monthly and payment of all interest accrued through April 30. All remaining principal and interest will be due at the end of the extension. Staff has examined the Developer's cash flows on the project and believes the extension is a fair request based on current and projected cash flows.

In response to an inquiry from President Bagot, Mr. Gamble indicated that he believed the Developer's affirmative marketing efforts to be satisfactory and they are not discriminating against Section 8 Certificate Holders.

President Bagot requested staff verify this, however, if there are no problems then there is no need to report back.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-92 BE ADOPTED.

At this time, 4:38 p.m., Mr. King returned to the meeting.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Fourth Amendment to the Land Disposition Agreement (LDA) with Progress Seven, Inc. for Parcel EE-1 located on the northern corner of Newcomb Avenue at Whitney Young Circle in Hunters Point. It is requested that this item be continued as a Regular Agenda item and added to the Closed Session Agenda because a problem has arisen.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 96-92, WOULD BE CONTINUED AND ADDED TO THE CLOSED SESSION AGENDA AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests approval to amend the Agency's Small Business Loan and Investment Program (Program) to expand the eligibility boundaries for loan proceeds.

President Bagot indicated that it is proposed to continue this item to allow for community input. He noted Wayne Corn had submitted a speaker card, however, Mr. Corn indicated he would defer his testimony until there is a hearing.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 97-92, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Thirteenth Amendment to the Agreement for Legal Services with McCutchen, Doyle, Brown & Enersen which increases hourly rates and the maximum amount payable by an amount not to exceed \$100,000 in connection with all Redevelopment Project Areas. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (e), RESOLUTION NO. 98-92, WOULD BE CONTINUED TO THE MEETING OF MAY 26, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to Establish Agency Position Classifications and Compensation Schedules for the period July 1, 1992 through June 30, 1993. The proposed salary resolution establishes classifications and rates of pay comparable to the City for Agency staff. The average increase proposed for staff is 7.8 percent compared to the City's 8.6 percent increase which is a result of a different mix of classifications and positions in the Agency compared to the City. Except for pay equity adjustments of approximately 3 percent for a number of clerical/secretarial classifications, there has not been a salary adjustment for two years. As in previous years, the salaries of the Executive Director and Senior Deputy Executive Director are established at the prevailing industry rate and 7 percent is recommended based upon increases granted to the heads of major City and County Departments. Continuing in the proposed salary schedules are certain pay equity adjustments made by the City for classifications that meet certain criteria. It is proposed to delete a number of classifications due to lack of need and to revise comparability and retitle several other positions. The salary proposals have been made available to Agency staff and the employee bargaining units for comments. Several requests for consideration were received but changes in compensation are not recommended at this time pending the outcome of the salary and classification study.

President Bagot noted that there has not been a request from the Mayor's Office for staff reductions, however, if this occurs when the budget goes before the Board of Supervisors, the Commission should be informed so the issue can be addressed.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the Mayor has requested that department heads and their immediate assistants voluntarily either waive or donate their salary increase to the City in an effort to reduce the budget deficit. In addition, a number of issues have been raised by staff and the audit by the Budget Analyst's Office regarding the salary structure and a salary classification study is recommended that may result in some changes. However, because of the close proximity of the new fiscal year which starts July 1st and the fact that staff has not had a salary adjustment for two years, past guidelines has been followed as it relates to the City until the classification study has been completed. The

Commission could approve this item subject to final budget approval by the Board of Supervisors.

In response to an inquiry from Mr. King, Mr. Helfeld noted that information on anyone waiving or donating their salary increase will be confidential unless an individual chooses to state it publicly and appropriate legislation is being prepared. James Nybakken, Administrative Services Officer, further indicated that it might be possible to secure information on the number of employees participating and the total dollar amount, however, it is not anticipated it would be available before July 1st and a certain amount of time is needed to get things in place before that time.

Mr. King requested further study regarding what other City Departments are doing and requested the item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 100-92, WOULD BE CONTINUED TO THE MEETING OF MAY 26, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanas requested that, if possible, the meeting of the Steering Committee for the Agency's Strategic Plan set for June 2 at 2:30 p.m. be rescheduled and Mr. Helfeld indicated he would try to arrange this.
- (b) In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated that staff is continuing to negotiate with the Mexican Museum and, although funding was requested for the Museum in the Agency's 1992/1993 budget, it was taken out by the Mayor's Office. The Museum is concerned that the money will not be in place this year and it is understood they will be contacting Supervisor Gonzales in this regard.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that since the land could not be used this year, there is no need to take possession for construction which it is believed was the conclusion of the Mayor's Office.

- (c) In response to an inquiry from Ms. Bolanos, Leamon Abrams, Chief of Economic Development, indicated that staff is in the process of preparing a draft Request for Proposals for review by the Commission and the community before it is finalized.
- (d) In response to an inquiry from President Bagot regarding a request for a reference from Griffin/Related Properties, Mr. Helfeld indicated that an appropriate response would be that they have been very professional and responsive to the Agency. However, the project has not been able to proceed because of their inability to obtain financing due to the depressed real estate market which is affecting all developers in the City.

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President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property locations and entities the Agency may negotiate with are:

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with Caltrans; and

northwest corner of Webster and Eddy Streets in the Western Addition A-2 with Fillmore Market Place Associates.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, May 15, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

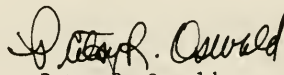
MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MAY 15, 1992.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwesterly corner of Newcomb Avenue at Whitney Young Circle and Progress Street in Hunters Point. The entity the Agency may negotiate with is Progress Seven, Inc.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 4:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

June 23, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF MAY, 1992

DEPARTMENT OF
COMMUNITY DEVELOPMENT
JUN 29 1992
UNRECORDED
PUBLIC MEETING

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of May, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Leroy King
Gary Kitahata

and the following was absent:

Sonia Bolanos (Arrived 4:22 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ace Washington, WAPAC; Samuel Murray, New Bayview Committee; Lafayette (Jamie) Jamerson: Nat Mason, Western Addition resident; Calvin Welch, Council of Community Housing Organizations; Tom McKnight; Mike Mahoney and Jay Parashis, San Francisco Police Department.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of April 21, 28 and May 5, 1992, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried the minutes of the Closed Sessions of May 5 and 12, 1992, as distributed by mail to the Commissioners, be approved.

President Bagot inquired regarding a suggestion by Alvin Norman at the April 21 meeting to set up a \$1 million revolving fund using tax increment monies to assist minority contractors and Mr. Helfeld indicated staff would report back to the Commissioners.

REPORT OF THE EXECUTIVE DIRECTOR.

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) As noted on the agenda, it is requested items 5 (a), 5 (c) and 6 (b) be continued. It is also requested that an item be added to

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the Closed Session agenda on Real Property Negotiations. With regard to item 6(a), the Sixth Street Merchants & Residents Association has requested this matter be considered at the end of the meeting because they cannot be here at 4:00 p.m.

- (b) The first meeting on the Agency's Strategic Plan will be held on June 2 at 2:30 p.m. with Kent Sims of the Mayor's Office, Supervisor Kennedy, Commissioners Bolanos, King and Kitahata and staff.
- (c) The Commissioners have been provided with a memorandum on City Government Re-organization. Supervisor Hsieh's Office has advised staff that there is nothing further to report at this time, however, information will be provided as it becomes available.
- (d) An Economic, Business Development Job Opportunities Workshop will be held on May 30, 9:00 a.m. to 1:30 p.m., at the Southeast Community College. Leamon Abrams, Chief of Economic Development, will be one of the speakers.

Ms. Bolanos arrived at this time, 4:22 p.m.

- (e) President Bagot inquired when the amendment to the Agency's Small Business Loan and Investment Program to broaden the eligibility boundaries for loan proceeds in the Western Addition Redevelopment Project Area and the South Bayshore study area will be back before the Commission and Mr. Helfeld indicated that staff is waiting for direction from the Commission.

Mr. King indicated that he had checked with a number of persons in the community, all of whom are opposed to the proposed amendment. In addition, this matter should have been calendared as a workshop to receive community input and not as an action item.

In response to inquiries from Commissioners Bagot and King, Leamon Abrams, Chief of Economic Development, indicated that a proposal to expand the loan program geographic boundaries was contained in draft recommendations of the African-American Economic Empowerment Task Force that were presented, but never finalized.

President Bagot noted his concern that Urban Economic Development Corporation (UEDC), had only started one new Black business during the past year. Gene Suttle, Senior Deputy Executive Director, indicated that information is only provided on UEDC relative to its contract with the Agency and reports are not received regarding its success in assisting new and existing businesses outside that contract. President Bagot indicated that he had requested reports on the results of UEDC's success in starting new Black businesses, other than those covered by the contract with the Agency, a year ago and requested such reports start being provided to the Commission.

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In response to an inquiry from President Bagot regarding the appropriateness of inviting other organizations to the proposed workshop, such as the Women's Initiative for Self Improvement (WISE), who are helping Black people start new business, Mr. Helfeld suggested this be a separate issue.

In response to an inquiry from President Bagot regarding other organizations assisting black businesses having access to the loan program funds, Mr. Abrams indicated that the funds go to the entrepreneurs directly and not to non-profit organizations.

President Bagot indicated perhaps UEDC only started one Black business during the past year because of geographical restrictions, however, he would be interested in seeing other organizations have access to the funds.

Mr. Kitahata inquired regarding the status of the African-American Economic Empowerment Task Force and indicated that if the sole topic of the workshop is on loan boundaries, it probably would have to be expanded into broader hearings so perhaps there should be a joint hearing with the Task Force.

Mr. Helfeld indicated that some time ago, the Task Force reviewed and revised the implementation plan provided by the Commission and staff. The Task Force requested guidance and direction from the new Jordan administration in writing on whether to continue, but when a response was not forthcoming they determined it would be appropriate to make a presentation to the Commission. However, staff was advised by the Mayor's Office not to put it on the agenda. It is believed that the Mayor's Office is considering reformulating the Task Force.

President Bagot indicated he would like to separate the issue of the formation of the Task Force and holding a hearing for the public to comment on the Agency's track record in starting new Black businesses and ways to improve the program.

Mr. Kitahata indicated he was opposed to a public hearing limited to that one subject since he believed it would be counter-productive to have a hearing to critique the Agency's program, particularly since Kent Sims of the Mayor's Office is working on a number of economic development plans in five or six different neighborhoods, including the Western Addition and Hunters Point, which should be included in the process.

President Bagot noted his concern at the timing because it is not known when the plans the Mayor's Office is working on will be completed. Mr. Kitahata indicated it is not necessary to wait until Mr. Sims' work is completed, but in the context of ongoing efforts, it would be helpful to have him appear to make a presentation on what is in process and to invite the African-American Economic Empowerment Task Force which is appointed at that time to present their findings.

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President Bagot requested staff contact Mr. Sims to indicate that the Commission is interested in holding hearings on how to improve the Small Business Loan Program and the recommendations of the African-American Economic Empowerment Task Force in the context of the neighborhood plans the Mayor's Office is working on. In the interim, he requested staff contact WISE and San Francisco Renaissance to inquire if they have started any new Black businesses and, if so, how. This information can be provided by memorandum to the Commission and does not have to be the subject of a public hearing.

The following persons spoke: Ace Washington, WAPAC; Samuel Murray, New Bayview Committee; Lafayette (Jamie) Jamerson; and Nat Mason, Western Addition resident.

Mr. Washington noted his concern that the same problems have been coming up for years with no solution.

Mr. Murray noted his concern regarding: redlining by banks against the African-American community; non-compliance by banks doing business with the City with the Fair Investment Act; and the need to create realistic affordable housing packages. He indicated the money should be relinquished to the community so they can dictate policy and then businesses will get started.

Mr. Jamerson noted his concern at the diminishing number of Black businesses in the the Western Addition since the involvement of redevelopment in the area.

Mr. Mason indicated that the Agency has the tools and capabilities on staff to get the money to entrepreneurs and innovative ideas are needed.

Ms. Bolanos indicated that last year a process was set up by having the African-American community advise the Commission on how to implement a program for economic development which did not come to fruition for the reasons stated by Mr. Helfeld regarding the possible reconstitution of the African-American Economic Empowerment Task Force. Expanding the geographic boundaries of the loan program is not in itself going to solve the problems and tangible programs are needed to address the issues of redlining, access to capital funds and so forth. The Commission needs to move forward on the actual aspects of an economic development plan and program for the African-American community and consider having a workshop in order to go on to the implementation phase. Mr. Sims could be invited to the workshop as a complementary component of economic development in the City.

Mr. Kitahata indicated that he is also interested in having some action items in an effort to implement an economic development program which should be preceded by a public hearing.

President Bagot requested staff report back in a week on the status of the African-American Economic Empowerment Task Force and contact Mr. Sims regarding the proposed hearing.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Fourth Amendment to the Land Disposition Agreement (LDA) with Progress Seven, Inc. for Parcel EE-1 located on the northerly corner of Newcomb Avenue at Whitney Young Circle in Hunters Point. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (a), RESOLUTION NO. 96-92, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) David Madway, Agency General Counsel, introduced item (b), which requests authorization of a Thirteenth Amendment to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen in connection with all Redevelopment Project Areas. This law firm, which is currently handling a wide variety of legal issues, has consistently provided excellent services since 1979 and this long term association has resulted in a unique knowledge of the Agency's operations that saves time and money. The current contract balance is approximately \$16,000 and a billing amount of \$31,000 is outstanding for services already rendered. The proposed amendment will increase the hourly rates and the maximum payable by \$100,000 for a total contract amount of \$1,050,000. The Commissioners have been provided with details of the firm's affirmative action program which is considered to be highly satisfactory.

Commissioners Bolanos and King noted their concern regarding the firm's affirmative action program because there are no Hispanic partners.

Mr. Mardikian noted his concern at the proposed increase in hourly rates at this time and requested information regarding the current and proposed hourly rates and indicated that legal staff should negotiate the rates aggressively.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (b), RESOLUTION NO. 98-92, WOULD BE CONTINUED TO THE MEETING OF JUNE 2, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to Establish Agency Position Classifications and Compensation Schedules for the period July 1, 1992 through June 30, 1993. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 100-92, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

President Bagot indicated that item (a) would now be considered since members of the Sixth Street Merchants and Resident Association are now present.

- (a) Lucia Mele, Economic Development Specialist, introduced item (a), which requests authorization of a Contract in an amount of \$31,000 for the period June 1, 1992 through July 31, 1992 with the South of Market Business Association (SOMBA) for business and technical assistance in the South of Market. These services have been provided by Mission Economic Development Association (MEDA) under a contract entered into in July 1990. The Agency-designated Citizens Advisory Committee, the South of Market Problem Solving Council (SOMPSC), proposed that a neighborhood-based organization provide business and economic services and agreement has been reached between all parties to the transition of the Agency's contract to SOMBA. Subsequent to inception of the contract MEDA has initiated several programs and activities and been instrumental in the formation of the Sixth Street Merchants and Residents Association, the representation of which now extends to other community-based organizations in the South of Market, resulting in a more organized business community. Staff supports the transition subject to SOMBA: utilizing an existing non-profit entity with 501 (c) 3 status; not increasing the cost to the Agency for services; representing a broad and diverse group of area residents and business owners; and efficiently providing business assistance. SOMBA has developed a work program consistent with the Agency's Economic Development Mission and the proposed action will not increase the costs to the Agency.

Tom McKnight extended an invitation to the Commissioners to attend an opening reception of a photographic exhibition by artists of the Sixth Street community at the Pontiac Hotel Gallery on June 5.

In response to an inquiry from President Bagot regarding the steam cleaning program, Mr. Helfeld indicated that an audit is being conducted and staff will report back to Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-92 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Second Amendment to the Agreement for Professional Services, which increases the contract amount and extends the term, with Environmental Science Associates, Inc. in connection with the South of Market Earthquake Recovery Redevelopment Project Area. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 102-92, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

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- (c) Mr. Helfeld introduced item (c), which requests authorization to advertise a Contract for the Demolition and Site Clearance of the Pier 42 Bulkhead Building (Bulkhead) at the South Beach Harbor in Rincon Point-South Beach. The Bulkhead, constructed in 1918, was subsequently determined eligible for the National Register of Historic Places. In 1984, the U.S. Army Corps and The Bay Conservation Development Commission (BCDC) issued permits for the construction of the South Beach Harbor and in 1986 the Bulkhead was relocated to the Marginal Wharf to allow demolition of Pier 42 to make way for the construction of the South Beach Harbor. This relocation was to be temporary while the Agency considered various options for the Bulkhead and during this period the Agency was prevailed upon by the Historic Preservation community to relocate and rehabilitate it and by BCDC to remove it from its location within the public access area. BCDC has extended the deadline for removal of the Bulkhead seven times and it was clearly understood at the time of the last extension that it would be the last. BCDC requires the Agency to remove the Bulkhead Building from its present location within the public access area at the South Beach Harbor by December 5, 1992 and submit evidence of an executed binding contract by September 5, 1992. All conceivable efforts to secure a developer to relocate and rehabilitate the Bulkhead within or outside the Harbor/Pier 40 area were unsuccessful. The cost to relocate and rehabilitate it is approximately \$1 million and funds are not budgeted for this purpose, nor does staff believe it appropriate when the City and the Agency are experiencing severe budget deficits. It therefore appears there is no reasonable alternative but to demolish the Bulkhead Building at an estimated cost of \$35,000 in order to create the public access required by BCDC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-92 BE ADOPTED.

- (d) Robert Gamble, Deputy Executive Director, Finance, introduced item (d), which requests authorization of the Selection of Underwriters to accomplish the issuance of Multifamily Housing Refunding Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$55 million for various Multifamily Housing Developments. During the 1980's the Agency issued numerous multifamily housing revenue bonds for the development of rental projects, at which time the interest rates were significantly higher than current prevailing rates and some of the projects may be able to realize substantial savings on interest payments if the original bonds were fixed rates with an option to be refunded with new bonds at lower interest rates. As a condition of refunding the bonds, the Agency can negotiate with the project owner for extended affordability based on recently approved Federal legislation and share in the financial savings accruing from reduced interest payments which could be used to finance additional affordable housing projects. It is also a HUD requirement that certain bonds issued at below-market rates in the early 1980's be refunded if substantial savings will occur. The developers of two of these projects have expressed an interest in having the Agency refund the original bonds and staff

recommends seeking to refund bonds on any project which could secure significant savings on the debt service. Issuance of these refunding bonds was approved by the Commission and the Board of Supervisors on April 21 and May 11, 1992 respectively. Given the complexity of the bond transactions and limited availability of credit enhancement, specialized analysis is needed to determine the potential for refunding. Following issuance of a Request for Qualifications, staff recommends selecting the underwriting teams of: Newman and Associates/M.R. Beal for Wharf Plaza II, the Mariposa Apartments and Mercy Terrace; Paine Webber/M.R. Beal for the Northridge Apartments; and First American Municipals/Newman Associates for Serenity Towers. Because of demonstrated relevant experience Newman and Associates is being recommended as lead manager for three of the transactions and Paine Webber for two. First American Municipals, a WBE firm, has demonstrated sufficient expertise to be recommended as lead manager for the Serenity Towers transaction with Newman and Associates as co-manager. Among the MBE firms, M.R. Beal is considered to have the necessary qualifications to be recommended as co-manager for four of the transactions. In the near future recommendations on an underwriting team for Cathedral Hill Plaza West and for financial advisors to assist the Agency with these refundings will be brought before the Commission for consideration. The selected firms will work on a contingent fee basis and will only be paid if and when refunding occurs.

In response to an inquiry from President Bagot, Mr. Gamble indicated that the firms were selected on the basis of their qualifications and the ideas they brought forward on the transactions. W.N. Newman is highly qualified and has an outstanding background.

ADOPTION: IT WAS MOVED BY Mr. King, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-92 BE ADOPTED.

- (e) David Madway, Agency General Counsel, introduced item (e), which requests promulgation of a regulation prohibiting the assignment of Agency contracts without the express written consent of the Agency. Although the Agency's Land Disposition Agreements (LDA's) and Owner Participation Agreements (OPA's) all expressly prohibit assignment without the Agency's express written consent, Section 365 (c) of the Bankruptcy Code permits contracts to be assigned without consent regardless of explicit contractual language to the contrary, under certain circumstances. However, the section does bar non-consensual assignments where prohibited by "applicable law" and legal research suggests that an Agency regulation barring assignment may constitute such "applicable law". Since several developers with whom the Agency has contractual relationships have encountered financial difficulties, promulgation of the regulation is considered prudent to prevent an assignment without the Agency's consent in a situation where a developer has made a bankruptcy filing.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-92 BE ADOPTED.

- (f) Robert Gamble, Deputy Executive Director, Finance, introduced item (f), which requests approval of modifications to the Agency's 1992-1993 budget proposed by the Mayor's Office and submittal of the revised budget to the Board of Supervisors. Subsequent to approval by the Commission of the budget on February 18, 1992, the Mayor's Office has made reductions totalling \$4.8 million, details of which have been provided to the Commission. These include: reductions of \$1 million each in the Hunters Point and the South of Market housing budgets and \$.5 million in the City-wide housing program; a reduction of the \$2 million budgeted for Central Block 3 in Verba Buena Center which was intended to replace the land revenue which would otherwise have been provide by the sale of the site designated for the Mexican Museum, however, the Mayor's Office has mandated a Land Disposition Agreement be consumated and clearly indicated these funds will be provided in the 1993-1994 budget; a salary savings of \$300,000 which is the amount equivalent to the savings accruing from 4.5 vacant positions. Other items added that do not affect tax increment funds are: \$4 million for AIDS housing which is expected to be funded from Federal grants; \$1 million for seismic upgrading as a result of the availability of grant funding for this purpose from the Federal Emergency Management Agency (FEMA); and \$2 million for affordable housing subsidies which is anticipated savings from the refunding of mortgage revenue bonds. The result of these changes is that total revenues amount of \$65.3 million while total expenditures are \$121.9, leaving approximately \$57 million to be funded from tax increment and bond proceeds, the financing of which will require additional tax increment of \$5.6 million beyond the \$7.3. million already being drawn for a total of \$12.9 million. Out of the \$5.6 million, \$4.5 million will be drawn from the City's General Fund and out of the total tax increment draw of \$12.9 million, \$10.3 will be drawn from the General Fund.

Calvin Welch, Council of Community Housing Organizations (CCHO), indicated that CCHO finds the postponement of housing funds acceptable, however, it is stressed that this is viewed as a deferral and not an elimination. Council members have had discussions with members of the Finance Committee of the Board of Supervisors and it is believed they are going to be protective of the portion of the Agency's budget which speaks directly to the need for economic and affordable housing development in low income neighborhoods. However, it is unclear what will be seen in terms of this budget year when hearings commence by the Board of Supervisors. CCHO looks forward to working with the Commission and staff during the coming year to produce an affordable housing development budget.

Ms. Bolanos noted her concern regarding the reduction of \$2 million for the Mexican Museum and inquired if Supervisor Gonzales was aware of the situation. Mr. Gamble indicated that the

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Supervisor had been apprised on May 22 and he immediately contacted the Mayor's Office. The issue is now between Supervisor Gonzales and the Mayor's Office and at this time the resolution of those discussions is not known.

Following an extensive discussion between the Commissioners and staff, it was the consensus of the Commission that the revised budget be approved with the exception of the reduction of \$2 million for the Mexican Museum.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-92, AS AMENDED, BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted that the Commissioners are periodically provided with detailed economic development reports generally on the loan program and containing a case-by-case summary. He requested that the Commissioners be provided with weekly programmatic economic development reports broken down by neighborhoods, rather than on a case-by-case basis. These reports could include the status of the Chinatown Task Force, the 24th Street Committee, the African-American Economic Empowerment Task Force, Third Street and the Hunters Point Naval Shipyard which should be considered as a separate entity from the Bayview/Hunters Point area.

Mr. Helfeld indicated that this is an excellent idea and staff will start providing the reports immediately on a weekly basis. He inquired if the Commissioners would be interested in receiving status reports on the Agency's housing transactions.

President Bagot indicated that he did not believe this is necessary because the housing program is running smoothly, however, economic development is another matter and reports are needed on this subject.

Mr. King indicated he would be interested in receiving reports on housing activities.

Mr. Kitahata indicated he too would be interested in receiving updates on housing, particularly with regard to the current housing budgets and vacant sites, but he believed an inventory of vacant housing sites would be part of the strategic planning process. However, these reports are not needed as regularly as the economic development reports.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 1 in the Yerba Buena Gardens in Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

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There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, May 22, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

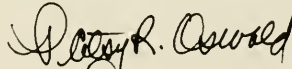
MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON MAY 22, 1992.

This item is pursuant to Government Code Section 54956.8 regarding real property negotiations for the property located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Taldan Investment Co.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

June 23, 1992

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2/92
SF
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF JUNE, 1992

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of June, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ted Dienstfrey, Mayor's Office; John Elberling, representing Friends of the Yerba Buena Gardens and the South of Market Problem Solving Council; Kate Carpenter, Embarcadero YMCA; Mike Davis and Laura Ware, Chinese Housing Partnership; Victor Gonzales, Taldan Investment Company; Joe Donahue, Residential Builders; Katherine Nash; Jay Parashis and Mike Mahoney, San Francisco Police Department.

Representing the press were: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of May 12, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) Staff has requested that item 6 (b) regarding a Land Disposition Agreement with Taldan Investment Company be considered as the last item on the agenda as there may be a need to hold a Closed Session.
- (b) The California Community Economic Development Association's Annual Conference will be held in Berkeley June 15 through 17. It includes sessions on business development in minority

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communities and information on the conference will be provided to the Commissioners.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) As noted on the agenda, it requested that item 5 (a) be continued. It is also requested that an item be added to the Closed Session agenda regarding Real Property Negotiations.
- (b) The first meeting on the Steering Committee on the Agency's Strategic Plan was held today with Kent Sims and Ted Dienstfrey of the Mayor's Office, Supervisor Kennedy, Commissioners Bolanos, King and Kitahata and staff. The next meeting of the Steering Committee will be held in two weeks.
- (c) Special Order before the Board of Supervisors on June 1 was a report by the Mayor's Office of Economic Development and the Redevelopment Agency on the status of negotiations of the lease between the Navy and the City, which was introduced by Supervisor Kennedy.
- (d) Staff has been trying to contact Alvin Norman regarding his suggestion of a \$1 million revolving loan fund for minority contractors.
- (e) The Commissioners have been provided with: a status report on Economic Development activities; a memorandum on the Small Business Loan and Investment Program and Technical Assistance; and a report on the Women's Initiative for Self Improvement (WISE), San Francisco Renaissance and Urban Economic Development Corporation (UEDC) assisting African-American non-redevelopment related businesses.

President noted the presence of Ted Dienstfrey of the Mayor's Office at the meeting.

- (f) President Bagot noted that Ms. Bolanos had suggested two Agency meetings be held in June and two in July due to the possibility there will not be a quorum due to Mr. Mardikian's absence.

Following a discussion, it was the consensus of the Commission that the regular meetings be scheduled for each Tuesday and only be cancelled in the event there is no quorum.

President Bagot noted that he will not be available until 6:00 p.m. on June 23.

- (g) President Bagot commended staff on suggestions for modification of the Small Business Loan Program and indicated that the order in which it is proposed to make the changes is appropriate. The changes suggested in the collateral and the credit required, as well as the possibility of a Redevelopment Agency Loan Committee,

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makes sense preceding a decision on whether or not to open up the loan fund to other than the three targetted locations. There is a need to re-address the situation about economic development in the Black community and at some point he would like an update on the Agency's ability to target African-American businesses in the Third Street area and the Western Addition. He indicated he would be interested in asking groups that have some experience in assisting new and existing Black businesses to participate in a workshop. In addition, Ms. Whittle and Ms. Covington, both of whom have had loans approved through the Agency's loan program, indicate they would have some constructive comments on the process which perhaps could be reviewed in the context of a workshop. As discussed at the May 26 meeting, it is important to be in step with the Mayor's Office regarding economic development activities.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that Kent Sims of the Mayor's Office is receptive to holding a workshop.

In response to an inquiry from President Bagot regarding a budget setaside for micro business development, Leamon Abrams Chief of Economic Development, indicated that \$25,000 is included in the 1992/1993 budget for capital and leasehold improvements at the 1426 Fillmore Office Building. President Bagot requested this information be transmitted to San Francisco Renaissance because they had inquired about the funds.

President Bagot requested a list of the names of businesses assisted by UEDC that have had loans approved, which Mr. Abrams indicated would be provided.

Mr. King indicated that since the material had only been provided yesterday he had not had time to study it. However, although it was agreed at the May 26 meeting to hold a workshop, a discussion is again taking place without the community and there were not supposed to be any policy recommendations from staff until there is a public hearing.

Mr. Helfeld indicated that the material provided to the Commission was for informational purposes only.

Mr. Kitahata noted that it appears the option to expand the geographical boundaries of the loan program is not viable and Mr. Helfeld indicated that there have been a number of negative comments from the community.

Mr. Kitahata indicated that he believed a format for a workshop might be more constructive if there were recommended policy options at that time in order to get reactions. He indicated that whether the recommendations are from staff, the African-American Economic Empowerment Task Force, other organizations or individuals, it would clarify the discussions to have a published list of the options and the sources of the

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recommendations provided ahead of time so constructive suggestions can be actively pursued.

President Bagot indicated that after the Commission has had time to review the material, staff will be requested to bring workshop recommendations before the Commission.

In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated the draft of the 24th Street Plan had been provided to the Commission for review and comments prior to it being sent to the community.

In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated the report to the Board of Supervisors on the Hunters Point Naval Shipyard had been oral, however, a letter written by Kent Sims of the Mayor's Office on that subject will be provided to the Commission.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Fourth Amendment to the Land Disposition Agreement (LDA) with Progress Seven, Inc. for Parcel EE-1 located on the northerly corner of Newcomb Avenue at Whitney Young Circle in Hunters Point. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a). RESOLUTION NO. 96-92, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Robert Gamble, Deputy Executive Director, Finance, introduced item (b), which requests approval of a reduction of \$2 million in the Agency's budget for Central Block 3 in Yerba Buena Center. The purpose of the reduction is to replace revenue lost as a result of the provision of land to the Mexican Museum. The Agency has agreed to extend exclusive negotiations with the Museum beyond June 17, 1992 and use best efforts to negotiate a Land Disposition Agreement (LDA) by September 1, 1992. The reduction has the concurrence of Supervisor Gonzales. Mayor Jordan has expressed support for the provision of land to the Museum and an intent to provide the \$2 million in the 1993/1994 budget.

John Elberling, representing Friends of the Gardens and the South of Market Problem Solving Council, requested that the funds for the East Garden on Central Block 2 (CB-2) in the Agency's 1992/1993 budget be put in reserve and construction of the East Garden not proceed until it is clear how the construction of Central Block 3 (CB-3) can be funded because of the importance of moving ahead with the Childcare Center. He indicated that the East Garden is an architectural embellishment that does not serve any specific public function and the Childcare Center could be built by itself without waiting for the rest of CB-3 to be constructed.

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Kate Carpenter, Embarcadero YMCA, noted her support of Mr. Elberling's request.

Mr. Gamble indicated that the issue before the Commission today is the \$2 million for the Mexican Museum and the overall budget has been approved by the Commission. However, staff could be directed to bring the East Garden item back before the Commission for future consideration or action.

Mr. Helfeld indicated that the importance of the Childcare Center is recognized, however, he does not consider the East Garden an embellishment because it relates to outdoor activities of the forum which is part of the Visual Arts Center. In addition, it is an opportunity to finish CB-2 in its entirety except for the west side which will be underway in the near future. He indicated that he is confident the Agency and the City will find a way to fund CB-3.

President Bagot indicated that he would be prepared to consider postponing the East Garden and proceeding with the Childcare Center, particularly since the situation with Olympia & York makes him less confident of the Agency's ability to secure the funding for CB-3.

Mr. King indicated that he concurred with President Bagot and this matter should be brought back before the Commission.

Mr. Kitahata indicated that Mr. Elberling has a valid point in giving priority to the Childcare Center and assuring funding will be available for it, but he did not believe it should be at the expense of completing CB-2 in the context of going back on the approved overall budget. Since the Childcare Center can operate by itself, all efforts can be made to assure its funding regardless of what other components need funding on CB-3 so the next step after approval of the budget would be to figure out how funding can be guaranteed for the Childcare Center.

President Bagot indicated that Mr. Elberling's suggestions would be looked at as a possibility. It would also assist to have staff's thoughts on CB-3 funding in view of the Olympia & York situation and how priority can be given to the Childcare Center. These items can be discussed at a workshop.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-92 BE ADOPTED.

- (c) David Madway, Agency General Counsel, introduced item (c), which requests authorization of a Thirteenth Amendment to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen in connection with all Redevelopment Project Areas. At the May 26, 1992 meeting concern was expressed by the Commission regarding a proposed increase in the hourly rates, however, this was a clerical error and a rate increase had not been requested. The proposed amendment will increase the maximum payable by \$100,000

for a total contract amount of \$1,050,000. Concern was also expressed at the May 26 meeting regarding the firm's affirmative action program relative to Hispanics. However, McCutchen has the best affirmative hiring record of any law firm in the City. The Bar Association's goals are 5 percent for minority hiring and this firm has 15 percent.

Following an extensive discussion between the Commissioners and Mr. Madway, during which the Commissioners reiterated their concern regarding the firm's affirmative action record relative to Hispanics, Mr. Mardikian suggested the item be continued and McCutchen be requested to have a representative attend the June 9 meeting to make a presentation on the current status of minority hiring and efforts that are underway.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (C), RESOLUTION NOERE BE. 98-92, WOULD BE CONTINUED TO THE MEETING OF JUNE 9, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to Establish Agency Position Classifications and Compensation Schedules for the period July 1, 1992 through June 30, 1993, subject to approval by the Board of Superisors of the Agency's budget. The proposed salary resolution establishes classifications and rates of pay comparable to the City for Agency staff. The average increase proposed for staff is 7.8 percent compared to the City's 8.6 percent increase which is a result of a different mix of classifications and positions in the Agency compared to the City. Except for pay equity adjustments of approximately 3 percent for a number of clerical/secretarial classifications, there has not been a salary adjustment for two years. As in previous years, the salaries of the Executive Director and Senior Deputy Executive Director are established at the prevailing industry rate and a 7 percent is recommended based upon increases granted to the heads of major City and County Departments. Continuing in the proposed salary schedules are certain pay equity adjustments made by the City for classifications that meet certain criteria. It is proposed to delete a number of classifications due to lack of need and to revise comparability and retitle several other positions. Staff is currently preparing a Request for Proposals and the start of the salary and classification study should follow the beginning of strategic planning process by a month. The salary proposals have been made available to Agency staff and the employee bargaining units for comments. Several requests for consideration were received but changes in compensation are not recommended at this time pending the outcome of the salary and classification study.

Mr. King noted his reluctance to vote for this item because he is dissatisfied with the City's comparison for senior staff salaries and there is a need for further evaluation. However, consideration needs to be given to the fact that non-senior staff

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and bargaining unit members would be adversely affected by a postponement.

Mr. Kitahata noted his support of this item, however, he did not believe City comparability standards should apply to all staff. It should apply to those classifications that are comparable, but the top positions are not necessarily comparable because of the difference in the Agency's type of work. The classification study should look at a merit system for top management positions.

Mr. King noted his opposition to a merit system which is inequitable.

Mr. Helfeld noted that the Agency has been structured for years to bear a relationship to City Hall. Staff has been responsive to the Mayor's request for senior staff to show the way and waive or donate their salary increases. When information is available on the numbers, the Commission will be advised. The issues raised by Commissioners King and Kitahata regarding the salary structure will be addressed by the classification study.

President Bagot noted his support of this item but that he reserved judgement on possible smaller raises or no raises in the higher positions if the Agency's budget is faced with cuts at the Board of Supervisors. He indicated that he would be interested in investigating the possibility of a charter amendment for the Redevelopment Chapter of Local 790 to permit one large bargaining unit so if the Agency continues to get smaller and there are layoffs staff would have somewhere to go in terms of seniority, other than the unemployment office.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-92 BE ADOPTED.

UNFINISHED BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (e) Authorizing a Second Amendment, which increases the contract amount by \$15,500 and extends the term, to the Agreement for Professional Services with Environmental Science Associates, Inc. for the completion of the Negative Declarations for three housing sites within the South of Market Earthquake Recovery Redevelopment Project Area.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Third Amendment which revises the Schedule of Performance and further extends the Absolute Conveyance Date under the Agreement for Disposition of Land for Private Development with the Bush Street Synagogue Cultural Center for the purchase and rehabilitation of 1881 Bush Street and

development of the adjacent parcel located at the southeast corner of Bush and Laguna Streets; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, THAT CONSENT AGENDA ITEM (e), UNFINISHED BUSINESS, RESOLUTION NO. 102-92, AND CONSENT AGENDA ITEM (a), NEW BUSINESS, RESOLUTION NO. 107-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) William Rumpf, Chief, Housing Production and Management, introduced item (c), which requests authorization of a First Amendment to the Regulatory and Grant Agreement with the Community Housing Partnership (CHP) in an amount of \$244,582 for predevelopment expenses associated with the rehabilitation of 86 units affordable to very low-income households at the Senator Hotel located at 519 Ellis Street as part of the City-wide Tax Increment Housing Program (TIHP). The cost of converting the Senator Hotel into permanent housing for homeless individuals and small families is approximately \$4.8 million. To date, \$1,626,639 in local funds have been provided and the requested \$244,582 would raise the public funding to \$1,871,221 or \$21,758 per unit. \$159,582 of the requested funds would be used to cover an operational deficit for the period July 1991 through July 1992 caused by: high fixed costs of operation while tenants occupied the building during rehabilitation; early rent-up of units to homeless people whose rental payments were insufficient to cover operation costs; and HUD's delay in approving the Agreement to Enter Housing Assistance Payments resulted in a six-month delay of the construction contract which also increased construction interest payments beyond the amount initially budgeted. \$56,000 would be used to make handicap accessible improvements and \$29,000 would be used to restore a 10 percent contingency for the remaining work to be completed. The TIHP Loan Committee recommends approval of the funding request which will permit completion of the project by August 1992.

Mr. Rumpf introduced Mike Davis and Laura Ware of CHP.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-92 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests consideration of Taldan Investment Company's request not to terminate the Land Disposition Agreement (LDA) and to extend the performance schedule in connection with the purchase and development of the parcel located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. The LDA was authorized in December 1990 with Taldan who proposed to construct a mixed-use development including a supermarket at ground floor level with 148 residential dwellings above. In accordance with the terms of the LDA, the Developer was placed in default on April 9, 1992 for failure to submit evidence of financing and subsequently a notice of termination was issued for failure to cure the default within

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the 30-day cure period. The effective date of termination is June 3, 1992 unless the Commission takes action not to terminate the LDA or extends the termination date. The Developer has deposited \$115,0000 which represents 5 percent of the land price. The LDA stipulates that if the LDA is terminated before completion of the improvements, the deposit shall only be returned upon order of the Commission. Due to lack of progress in obtaining financing, staff cannot support an extension of the termination date and recommends retention of the deposit.

Victor Gonzales, Taldan Investment Company, requested consideration be given to extending the LDA termination date because Taldan has been working on the project for two years. In addition, a lease has been executed with Cala for the supermarket, a general contractor is in place and a site permit obtained. The project has been redesigned so the supermarket can go forward with housing to follow and a developer identified who would consider assuming assignment of the project. He noted that bankruptcy proceedings regarding Taldan have been misrepresented and there is no bankruptcy from a technical standpoint. Mr. Gonzales further requested that in the event the LDA is terminated, that the deposit be returned.

Joe Donahue, Residential Builders, noted his support of staff recommendation and indicated the Agency should investigate outstanding liens and disassociate itself from any further business dealings with Taldan.

Mr. Mardikian indicated that, although a conflict of interest does not exist because there is not a financial interest involved, he does have a business relationship with Taldan Investment Company and will therefore abstain from discussions and voting on this item.

President Bagot announced that the meeting would be adjourned to a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Taldan Investment Company.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:35 p.m.

RECONVENED

At this time, 5:50 p.m., the meeting reconvened back to the Regular Session with the same roll call.

Mr. Helfeld indicated that staff does not recommend extending the LDA termination date. The developer has had the property tied up for 16 months and moved diligently until missing the performance

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date for submission of evidence of financing in August 1991. The performance schedule has been extended on two occasions and Taldan has still not performed. The Agency has an obligation to the public to proceed with the development of a supermarket in the neighborhood and to seek other developers. In addition, staff does not recommend return of the deposit. These are bargained for liquidated damages for failure to perform which reflect enormous staff time attention, effort and cost. Also, return of the deposit was not requested within fourteen days of termination, as required in the LDA documents.

In response to a protest by Mr. Gonzales regarding timely request of return of the deposit, Mr. Madway indicated that the period for requesting return of the deposit is clearly stated in the termination notice. It would be entirely customary for the developer to seek either an extension of the appeal period or return of the deposit if the extension is not granted, which was not done in this case.

President Bagot inquired if the Agency could keep the Cala lease and Mr. Madway indicated that it is assignable.

President Bagot indicated he assumed staff would be bringing a recommendation for development of the property before the Commission that will pursue goals in terms of satisfying the request of the South of Market community and Mr. Helfeld indicated that staff will report back next week.

President Bagot indicated that it should be clear that the Commission's decision not to extend the LDA termination date has no relation to recent charges of possible malfeasance on the part of Taldan.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, THAT THE REQUEST TO EXTEND THE TERMINATION DATE OF THE LAND DISPOSITION AGREEMENT WITH TALDAN INVESTMENT COMPANY BE DENIED AND THE THE REQUEST FOR RETURN OF THE DEPOSIT BE DENIED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. King
Mr. Kitahata

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

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President Bagot indicated he would like it to be Agency policy that whenever a developer is in default, it be made public.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with Caltrans.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, May 29, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

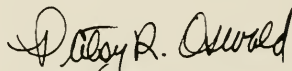
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON MAY 29, 1992.

This item is pursuant to Government Code Section 54956.8 regarding real property negotiations. The property is located on the southwest corner of Webster between Geary and O'Farrell in the Western Addition A-2 and the entity the Agency may negotiate with is Western Commercial Partnership I.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

June 23, 1992

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/92

SF

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JUNE, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of June, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata

DOCUMENTS DEPT.

and the following was absent:

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None

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Raymond Colmenar, Director, South of Market Problem Council; Elouise Burrell, Theater Artaud; Kola Thomas, Center for African-American Art and Culture; Nontsizi Cayou, WAJUMBE Cultural Institution; Mel Miles, Western Addition Concerned Citizens Organization; Palmer D. Cecil, Western Addition Neighborhood Association; Robert Speer, President of PADS; Ron Johnson, President, 1329 Pierce Homeowners Association; Bob Davis, Vice President, Fillmore Center; Maria Acosta-Colon, Mexican Museum; Mike Paikin, VSC Sports; Bonnie Legg, Ice Rink/Bowling Committee; Marr D. Hull; Jim Collins; John Elberling, Yerba Buena Consortium; Agnes Briones, South of Market Problem Solving Council; Tom McKnight, Sixth Street Merchants and Residents Association; Brenda Berlin; Fei Tsen; Sue Hestor; Ann Wettreck, Children's Advisory Committee; John Elberling, Kelly Cullen, Tenderloin Youth Advocates; Sue Hestor; Melvin Lee, President of the Cultural Board for the Center of the Arts at Yerba Buena Gardens; Amalia Mesa-Baines and Rena Bransten, Cultural Board members; Renny Pritikin, Baraka Sele, and Jerry Allen, Center for the Arts at Yerba Buena Gardens; Ned Topham incoming Cultural Board President; Jeff Jones; Maria Pinedo, Galeria de la Raza; Jon Winet, Southern Exposure; Quentin Easter, Lorraine Hansbury Theater; Reni de Guzman; Eric Hayashi, Asian American Theater Company; Paul Kwan and Arnold Iggr, Peronna Graph Productions; Charles Amirkhanian, KPFA radion Station; Lowell Downey, Institute for Living Arts; Mike Mahoney and Jay Parashis, San Francisco Police Department; Ernest Wallace; Tom Yen; Richard Yonge; Charlie Fowler; Sen Yachi, Roger M. Wall; D. Wall; Carol Schilling, YWCA; Otini Tseng; Katherine Nash; B. Lane; Leroy Hogg; K. Bemedyfer; and Melissa Smith, Kronos Quartet.

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Representing the press were: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) William Rumpf, Chief, Housing Production and Mangement, gave a status report on the Agency's housing programs.

In response to an inquiry from Mr. Kitahata, Mr. Rumpf indicated that the omission of Parcel 1100-T at Divisadero and Ellis Streets was an oversight, however, this site does not presently have a developer and is not actively being worked on.

Mr. Kitahata requested a list of vacant sites owned or controlled by the Agency that could be used for housing and Mr. Rumpf indicated this information would be provided to the Commission.

In response to an inquiry from President Bagot regarding compliance with the Agency's Fair Housing Program, Mr. Rumpf indicated that Operation Sentinel is continuing to monitor and nothing significant has been found. President Bagot noted that non-profits are doing a good job in this regard.

- (b) The rights of the developer of the supermarket and housing site at Fourth and Harrison were terminated last week. It has been clear for a number of years that the top priority of the community and this Commission is development of the site as a supermarket. Staff will be returning to the Commission with a recommendation to develop the supermarket immediately and construct housing above at a future time.
- (c) On June 10, the Finance Committee of the Board of Supervisors will consider the Agency's interim budget.
- (d) The next meeting of the Steering Committee on developing the Agency's Strategic Plan will be held June 16 at 2:00 p.m. with Kent Sims and Ted Dienstfrey of the Mayor's Office, Supervisor Kennedy, Commissioners Bolanos, King, Kitahata and staff.
- (e) Discussions have been held with Supervisor Kennedy regarding a request from the Center for African-American Art and Culture with respect to the building at 762 Fulton Street in the Western Addition. This will be an agenda item at the next Agency meeting.
- (f) President Bagot indicated that there will not be an Agency meeting on June 16 due to lack of a quorum. The next meeting will be on June 23 at 6:00 p.m.

At this time, 4:30 p.m., Ms. Bolanos left the meeting.

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- (g) Mr. Helfeld indicated that he would report on contact made with the San Francisco Bar Association regarding affirmative action when Ms. Bolanos returns to the meeting.
- (h) In response to an inquiry from President Bagot, Mr. Helfeld indicated that it is planned to hold a workshop on the Small Business Loan Program when Leamon Abrams, Chief of Economic Development, returns from vacation. In the interim, community meetings will commence on June 14. President Bagot requested he be informed of the schedule of community meetings.

At this time, 4:33 p.m., Ms. Bolanos returned to the meeting.

- (i) President Bagot introduced Raymond Colmenar, the new Director of the South of Market Problem Solving Council who has replaced Dino Di Donato.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Kola Thomas, Center for African and African-American Art and Culture, and Nontsizi Cayou, WAJUMBE Cultural Institution, described the structural deficiencies at the Center's building in relation to which a request for \$671,000 will be calendared for consideration at the June 23 meeting.

NEW BUSINESS

Public Hearing to hear all persons interested in the proposed Redevelopment Plan Amendment; Western Addition A-2.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

- (a) Thomas Conrad, Chief, Planning and Programming, introduced item (a), which requests: (1) approval of the proposed Redevelopment Plan Amendment for the Western Addition Redevelopment Project Area A-2 and authorizing its transmittal to the Board of Supervisors; (2) authorization to transmit the proposed Plan Amendment to the City Planning Commission; and (3) approval of the Addendum to the Report on the proposed Plan Amendment and authorizing its transmittal to the Board of Supervisors. In 1985, the State Legislative amended the California Health and Safety Code to place reasonable limits on the amount of property taxes which may be derived from all new and existing Redevelopment Projects throughout the State. All Redevelopment Projects in existence at that time had until the end of 1986 to incorporate such limits within their Redevelopment Plan through the amendment process and the Western Addition A-2 Plan was so amended in 1986 to include a limitation of \$65.3 million. The proposed Plan Amendment will modify the limitation on the amount of tax increment funds that may be divided and allocated to the Agency for its use in financing the completion of the Redevelopment Plan and other eligible City-wide redevelopment activities to \$190.3 million. The primary areas of concern in the Western Addition

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are: the construction of additional housing units; protection of housing units that are either at risk of losing Department of Housing and Urban Development (HUD) Section 8 assistance or use restrictions that require the property remain affordable; funding of economic development activities and infrastructure improvements. After the Agency Commission's public hearing, the City Planning Commission and the Board of Supervisors will hold public hearings on this item.

The following persons spoke in support of item (a): Mel Miles, Western Addition Concerned Citizens Organization (WACCO); Palmer D. Sessel, Western Addition Neighborhood Association; and Bob Davis, Vice President, Fillmore Center.

The following persons spoke in opposition to item (a): Robert Speer, President of PADS; and Ron Johnson, President, 1329 Pierce Homeowners Association.

In response to concerns expressed by Mr. Johnson regarding unsatisfactory work at his condominium at 1329 Pierce Street in the Western Addition, Gene Suttle, Senior Deputy Executive Director, indicated that the building, which was to accommodate first time homebuyers, was sold by the Agency to a Certificate Holder. Because the Agency no longer owns the building, recourse has to be against the developer and/or his contractor. However, staff will continue to assist Mr. Johnson to the best of their ability.

Commissioners Kitahata and Mardikian noted that the Agency has a responsibility to first time homebuyers and urged staff to pursue this matter.

Mr. Helfeld indicated that staff will investigate and report back to the Commission.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that there has been an oversight and staff recommends amending the resolution to read: (1) extend the time from October 13, 1994 to October 13, 2000 for the establishment or incurrence by the Agency of any loans, advances or indebtedness to finance the Project in whole or in part and to be repaid from the allocation of taxes pursuant to Section 33670 of the California Health and Safety Code; and (2) extend the time limit from 30 to 36 years after the original 1964 Plan Adoption date, for the establishment of, or incurrence of, loans, advances and indebtedness to finance the Project in whole or in part.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (a) (1), RESOLUTION NO. 109-92, AS AMENDED, BE ADOPTED.

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ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (a) (2), RESOLUTION NO. 110-92, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (a) (3), RESOLUTION NO. 111-92, AS AMENDED, BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to extend Exclusive Negotiations from June 17, 1992 to December 16, 1992, with the Mexican Museum for the purchase and development of a portion of the former Central Block 1 (CB-1) Sports Club Parcel located on the northerly side of Mission Street between Third and Fourth Streets in Yerba Buena Center. Exclusive Negotiations were authorized in December 1991 for the development of a museum facility for the display of art and culture of Mexico and Latin America which would complement other cultural components proposed or under construction in the Yerba Buena Center area. However, additional time is needed to complete Land Disposition Agreement (LDA) negotiations and for publication of the required public hearing notice.

Maria Acosta-Colon, Mexican Museum, noted her concern regarding the proposed location of a parking ramp in front of the Museum and Mr. Helfeld indicated he did not feel it appropriate to discuss the matter at this time because the Agency has an agreement with the developer that provides for that ramp.

David Madway, Agency General Counsel, indicated that the Development and Disposition Agreement (DDA) with Yerba Buena Gardens, L.P. expressly provides for parking under St. Patrick's Plaza and for a ramp through the Mexican Museum (formerly The Sports Club) parcel which provides access to the parking. There is no other access to the parking and the Agency has an existing contractual obligation to deliver this parking and access ramp arrangement. It would be a violation of the Agency's obligation to the developer to negotiate a deal at variance from the existing contract.

Ms. Bolanos indicated that the Mexican Museum's concerns have been noted and the matter will be dealt with at the appropriate time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (j) Mr. Helfeld indicated that during discussions on a legal contract two weeks ago, concerns were raised about the affirmative action program of that particular organization. In subsequent discussions with the Commissioners and staff, and at the suggestion of Ms. Bolanos, larger issues than that law firm were raised regarding the position of the San Francisco Bar Association for all minority groups, their procedures and

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policies. It is proposed to hold a hearing at the June 23, 1992 meeting concerning minorities in the legal profession at which appropriate representatives from the Bar Association will appear.

At this time, 5:15 p.m., Ms. Bolanos left the meeting.

NEW BUSINESS (Continued)

- (c) Edmund Ong, Chief of Architecture, introduced item (c), which requests conditional approval of the Preliminary Construction Drawings (PCD's) for the rehabilitation of 1403 Evans Avenue by the Bayview Hunters Point Foundation for Community Improvement (Foundation), located at the southwest corner of Evans Avenue and Mendell Street in the India Basin Industrial Park. In accordance with direction from the Commission at the May 5, 1992 meeting, staff facilitated dialogue between the Foundation and Park property owners to identify any specific concerns regarding the project and any possible mitigations. As previously reported, there was constructive discussion regarding the Foundation's program and there were no concerns regarding the proposed design. Staff recommends approval of the Preliminary Construction Drawings, subject to the resolution of certain concerns relative to the landscape drawings and the exterior color scheme during the Final Construction Documents phase.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-92 BE ADOPTED.

At this time, 5:17 p.m., Ms. Bolanos returned to the meeting.

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of Selection and entering into discussion for an Agreement with VSC Sports to operate the Ice Rink/Bowling Center on Central Block 3 (CB-3) in Yerba Buena Center. In September 1991, proposer presentations were made by Ice Capades Chalets, VSC Sports and the YMCA for the Ice Rink/Bowling Center which includes a 12 lane bowling alley with a restaurant and sports shop. The YMCA subsequently withdrew their proposal because they could not obtain liability insurance for the ice rink and, following evaluation of the remaining two responses, the Ice Rink/Bowling Committee recommends the selection of VSC Sports who has operated two ice rinks in California for the past eight years and consults on the operation of many others. The Committee has requested that an Oversight Board be formed to work with the operator and Mike Paikin, President of VSC Sports, has indicated a willingness to work with such a board. The next steps include negotiations of the terms of the operating agreement and setting up of the non-profit Oversight Board to advise on the operation of the facilities.

The following persons spoke in support of item (d): Mike Paikin, VSC Sports; Bonnie Legg, Advisory Committee; Marr D. Hull; Jim Collins; and Agnes Briones.

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The following persons spoke in opposition to item (d): John Elberling, Yerba Buena Consortium; Ray Colmenar, South of Market Problem Solving Council (SOMPSC); and Tom McKnight, Sixth Street and Merchants and Residents Association and SOMPSC.

Mr. Elberling noted his concern that the YMCA had withdrawn its proposal because they could not obtain liability insurance for the ice rink which cannot be obtained by anybody in California and that they were not invited back into the process. He further noted his concern regarding what the nature and authority of the Oversight Board will be and indicated that if a non-profit organization were to operate the facility the net operating income would be available for use programs rather than profit.

Mr. Colmenar and Mr. McKnight noted their concern regarding the Request for Proposals (RFP) selection process and requested it be re-opened to include other potential bidders.

In response to Mr. Elberling, Ms. Sause indicated that the Committee is in the process of discussing what the non-profit Oversight Board will do and its make-up will be determined within the next few weeks. Mr. Paikin will address the issue of liability insurance, however, VSC Sports has given an assurance it can be obtained. With regard to concerns raised regarding the RFP process, the matter has been under consideration for nine months and the Committee is satisfied there has been an exhaustive search to secure interested operators. This is a good time for those interested to become involved in the process and their participation is welcome.

Mr. Paikin indicated that VSC Sports has insurance liability for the Pasadena Ice Skating Center and will be able to obtain similar insurance for the ice rink in Yerba Buena Center. He described other uses that it is hoped to incorporate in the facility for non-skaters and non-bowlers so there will be programs for everyone from the community. Timing is important because ice skating and bowling are seasonal and it would be preferable to open in the Fall.

In response to an inquiry from President Bagot, Mr. Paikin indicated that to encourage youth participation, it is hoped to hold bowling clinics and bring in local bowlers that want to work with the community.

President Bagot inquired regarding employment opportunities and Mr. Paikin indicated that the number of hours the ice rink facility would be open creates a need for flexible hours and a need for staff that can be available at short notice and makes it very difficult to utilize staff far outside the area. It is therefore anticipated that preference will be given to local residents.

Mr. Kitahata commended the Committee and Agency staff for their efforts and indicated that it is time for this public-private partnership to move ahead.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-92 BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (e), which requests approval of a Basic Concept for the Children's Place on Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center.
- (f) Helen Sause, Project Director, Yerba Buena Center, introduced item (f), which requests authorization of a consultant contract in an amount not to exceed \$40,000 with Brenda Berlin to assist in implementing the concept. The Children's Place Advisory Committee recommends that this 25,000 square foot building be operated as a Children's Cultural Center which would seek to celebrate the unique culture of childhood and the diverse cultural identities of San Francisco's children through a full range of creative expressions. The Committee has also concluded that the creation of a non-profit organization would provide the best means of realizing this concept and operating the facility. In order to implement this program, the Committee recommends that the Agency retain Arts Education Consultant Brenda Berlin. Ms. Berlin's services would include: helping to incorporate the organization and form its Board of Directors; developing specific start-up and funding strategies; and assisting the Agency in reviewing architectural plans for the building from an operational perspective. Architectural contracts for the CB-3 public improvements, including the Children's Place, will be calendared for Commission consideration in the near future. However, the design of the Children's Place would not be initiated until its incorporation as a non-profit organization.

Brenda Berlin thanked the Commission and staff for an opportunity to assist in making this comprehensive children's cultural and activity center a reality.

The following persons spoke in support of items (e) and (f): Fei Tsen; Sue Bierman; Ann Wettreck, Children's Advisory Committee; John Elberling; and Kelly Cullen, Tenderloin Youth Advocates.

At this time, 6:00 p.m., Mr. King left the meeting.

The speakers noted their support of the selection of Ms. Berlin.

In response to an inquiry from Mr. Elberling, Ms. Berlin indicated that thought is being given about how to do youth involvement and all comments will be taken into consideration. In addition, the Performing Arts Coordinator for the San Francisco Unified School District has been contacted and is very enthusiastic about the proposal so a plan will be worked out with the School District.

Mr. Kitahata expressed appreciation to the Children's Advisory Committee. He noted his agreement with Basic Concept Statement and indicated that the specific task now basically is the ultimate liability of a non-profit organization and its board of

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directors. He noted that it is important the board be reflective of the diversity of the children's constituency in the City and be able to develop and sustain a driving vision and passion for what the children's place is about. The Agency is responsible for the capital facilities but not for the on-going operations and the non-profit has to be economically self-sufficient.

Mr. Helfeld indicated that a significant endowment is projected in the budget for this facility. All figures indicate that the other activities ought to break even at least but that this facility, as best as it could be determined, needs an endowment.

Mr. Kitahata requested the Committee provide an operating scenario assuming there is no endowment.

Ms. Bolanos expressed appreciation to the Committee and indicated that, as noted by Mr. Elberling, it is important to see how services can be provided for children and it should be an intricate part of education. In considering multi-culturism, there is a growing Latino community and Latino children who come from a different background that can add to the enrichment of the cultural landscape.

President Bagot noted his concern regarding financing and indicated that thought should be given to economic self-sufficiency as suggested by Mr. Kitahata.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 115-92, RESOLUTION NO. 115-92, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 116-92, BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Helfeld indicated that, to date, there has only been one change order in an amount of \$5,600 for the Visual Arts Center, the Yerba Buena Theater and the Esplanade.

NEW BUSINESS (Continued)

- (g) Mr. Helfeld introduced item (g), which requests Adoption of a Policy for funding Central Block 3 (CB-3) Program uses and specifically committing funds for construction of the Child Care Facility in the 1993-1994 Agency Budget in connection with Yerba Buena Center. Funds for Phase I of the the CB-3 program, which include the ice rink and child care facility, are currently included in the Agency's 1992-1993 budget in the amount of \$12,785,000. However, funds for this construction are dependent upon the Olympia & York payments schedule for the Central Block 1 (CB-1) Office Parcel. Because of uncertainty that these funds will be available in a timely manner and in response to community

requests, available funding has been re-evaluated and it is recommended that certain other funds be designated for the child care center, the construction of which is estimated at \$3.5 million. Design funds to complete schematic architectural design for all the CB-3 uses are in the 1991-1992 budget. Proposed sources of construction funds for the child care facility are: site payments for the Mexican Museum parcel to be in the 1993-1994 budget of \$2 million; and a tax increment request in the 1993-1994 budget of \$1.5 million.

In response to a request from President Bagot, Mr. Helfeld indicated he would seek confirmation from the Mayor's Office that it is appropriate for priority to be given to funding for the Child Care Center.

The following persons spoke regarding item (g): John Elberling; Agnes Briones, South of Market Problem Solving Council; Sue Hestor; and Fei Tsen.

Mr. Elberling indicated that a worst case scenario is being considered and it is not necessary to take action until the situation with the Olympia & York payments is clarified. If the Olympia & York payment is not made on July 1 and the Agency finds itself with a worst case scenario then he would oppose the construction contract for the east garden because those funds should be used for the Child Care Center.

Ms. Briones urged priority be given to the Child Care Center.

Ms. Hestor noted her concern that monies are not available for CB-3 but everything connected to CB-2 is being funded.

Ms. Tsen inquired whether adoption today of the resolution is necessary or if it could be postponed until it is known whether Olympia & York will make the July 1 payment. If they do not make the payment then the public needs to have an understanding of what the financing plan will be, not only to construct and finish the east garden, but what the future financing plan is for CB-3.

Mr. Helfeld indicated that the intent of this resolution is to go on record that the Commission intends to give first priority to the Child Care Center and shows ways it can be done in a worst case scenario. Despite concerns expressed a year ago regarding securing financing for Yerba Buena Center, CB-2 is almost completed. He indicated that he is confident the Agency and the City will find a way to fund CB-3.

An extensive discussion ensued between the Commissioners, staff and the public regarding financing options for CB-3 and the need for a financing plan regardless of the outcome of the Olympia & York payment situation.

Commissioners Kitahata and Mardikian indicated that the importance of the Child Care Center is recognized, however, it

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should not be at the expense of completing CB-2 in terms of the east garden.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-92 BE ADOPTED.

- (h) Helen Sause, Project Director, Yerba Buena Center, introduced item (h), which is workshop to review the Management Audit Recommendations for the Center for the Arts at Yerba Buena Gardens (Center) in Yerba Buena Center. Last year a number of questions concerning the Center were raised and the Commission appointed a group to conduct a management audit to evaluate the Center for the capability of the Center to begin operation in accordance with the goals established during the long community planning process for the Center. The group, chaired by Commissioner Bolanos, included staff and Board members of the Center for the Arts, Agency Commission and staff and a representatives from Mayor Art Agnos' office. The selected consultant, Beene & Associates, completed recommendations in May 1992 and since that time the Agency and the Center have been working to address the issues identified.

Presentations were made by: Commissioner Bolanos; Mel Lee, President of the Cultural Board; Amalia Mesa-Baines, Cultural Board member; Renny Pritikin, Director of Programs for Visual Arts; Baraka Sele, Director of Programs for Performing Arts; Rena Bransten, Cultural Board member; Jerry Allen, Executive Director, Center for the Arts; and Ned Topham, incoming President of the Cultural Board).

The following person spoke in support of the Center for the Arts: Jeff Jones; Maria Pinedo, Galeria de la Raza; John Winette, Southern Exposure; Quentin Easter, Lorraine Hansbury Theater; Reni de Guzman; Eric Hayashi, Asian American Theater Company; Paul Kwan and Arnold Iggr, Personna Graph Productions; Charles Amirkhanian, KPFA Radio Station; Robert Hawk, Film Arts Foundation; Sue Hestor, Friends of the Gardens; and Lowell Downey, Institute for Living Arts.

Jeff Jones noted his concern regarding the Center's budget which does not contain identified funding sources or a well conceived funding strategy.

Ms. Hestor indicated that, although she supports the arts organizations, she is concerned regarding the overall funding for Yerba Buena Center.

Ms. Bolanos responded to issues raised by Mr. Jones and Mr. Allen responded to questions from the Commissioners regarding the Center's budget and fundraising prospects.

Mr. Kitahata noted his desire that the Center for Arts be a self-sufficient and self-sustaining organization and the Agency's

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responsibility be limited to the capital infrastructure improvements.

In response to an inquiry from Mr. Kitahata, Mr. Allen indicated that the question of representation by Olympia & York on the Center's Board was submitted to the Board of Directors following consideration by the By-Laws Committee and the issue was deferred until September pending clarification of Olympia & York's financial situation.

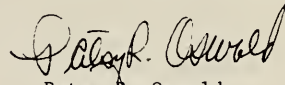
Mr. Mardikian commended the Center and staff for a thoughtful response to the audit report; it served a valuable purpose as shown by discussion tonight.

President Bagot noted that the Center has responded in a good open self-critical way to a very critical audit. He noted his concern about the costs and financing those costs. He requested to be informed about any fundraising news.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 7, 1992

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REDEVELOPMENT AGENCY

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF JUNE, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 6:45 o'clock p.m. on the 23rd day of June, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata

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and the following was absent:

Haig G. Mardikian, Vice President

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Supervisor Kennedy; Kola Thomas, African and African-American Cultural Center; Sonia Gray; James Seff, Pillsbury Madison & Sutro and President of the San Francisco Bar Association; Kevin Fong, Pillsbury, Madison & Sutro and Co-Chair of the Bar Association's Committee on Minority Employment; William Hastie, Arnette and Hastie and Chair of the CMCP; Mara Rosales, General Counsel for the Airport; John Gamboa, Executive Director of the Latino Issues Forum; Enrique Ramirez, President of La Raza Lawyers Association; Jonathan Mayes, Vice President, Charles Houston Bar Association; Dennis Mesina, President of the Filipino Bar Association of Northern California; Joann Saki, Partner, Landels, Ripley & Diamond and President of the Asian-Pacific Bar of the Greater Bay Area; Clifton Jeffers, Partner in James, Jeffers & Williams and President of the William Hastie Bar Association; Ted Wang, San Francisco Lawyers' Committee and Counsel for Coalition for Economic Equity; Jose Garcia, Bronson & McKinnon; Garrett Wong, Wong and Lee; Hector Chinchilla, Crosby, Heafey, Roach & May; Dola Thomas, CAAAC; Thomas Lee, LDA Architects; Hector J. Chinchilla;

NEW BUSINESS

At this time, item (f) was taken-up.

- (f) Mr. Helfeld introduced item (f), which requests authorization to amend the Agency's Fiscal Year 1992-1993 budget to permit expenditure of \$450,000 for the rehabilitation of the Center for African and African American Art and Culture building at 762 Fulton Street and to request an increase in the Agency's annual tax allocation of \$45,000 in connection with the Western Addition A-2. The goal of the Center for African and African-American Art

Minutes of a Regular Meeting, June 23, 1992

and Culture is to provide cultural and education opportunities to the Western Addition Community. They have submitted a proposal for \$700,000 to rehabilitate their building. Agency staff and the Department of Public Works concurred that the building was in need of repair but the estimate was less than the \$700,000 request.

Supervisor Kennedy indicated her support for this item and requested an amendment to the Resolution to add \$100,000 for Economic Development after the rehabilitation is completed to place businesses in that facility.

Kola Thomas, Director of the African and African-American Cultural Center, indicated they have received money from the City for consultants, but needed to increase the income base and supported Supervisor Kennedy's request for adding \$100,000 to the subject resolution.

Sonia Gray indicated her support for this item.

Mr. Kitahata noted his concern that this be consistent with the Agency's Economic Development Policy and he would support this amendment as long as the Center returns with their program for review.

Ms. Bolanos indicated that the Cultural Center is basic to the community's identification and she will be interested in looking at their proposal to see if it is feasible.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-92, AS AMENDED, BE ADOPTED.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of May 19, 26 and June 2, 1992, and the minutes of the Closed Session Meetings of May 19 and 26, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is a need to add an item to the Closed Session agenda regarding Real Property Negotiations.
- (b) The next meeting of the Steering Committee of the Agency's Strategic Plan will be held on July 7 with Supervisor Kennedy, Kent Sims and Ted Dienstfrey of the Mayor's Office, Commissioners Bolanos, King, Kitahata and staff.
- (c) The Agency's budget had its first consideration by the Finance Committee of the Board of Supervisors and they accepted the

Minutes of a Regular Meeting, June 23, 1992

budget except for some of the Budget Analyst's recommendations, which put certain items on reserve pending further studies and implementation plans.

- (d) The Agency has won a NAHRO Award of Merit for its entry in the Subsidized Housing Preservation Implementation Plan and a NAHRO award of Merit for the design of Mendelsohn House.
- (e) On June 27, there will be an Agency staff workshop to discuss the strategies of the Agency in connection with the economic revitalization of the Western Addition community. The workshop will be held at the Pacific Coast Hospital (formerly the Podiatry College) at 1210 Scott Street.
- (f) The Rental Housing Construction Program awarded \$40 million to rental projects of which San Francisco received 46 percent or approximately \$18.6 million in funds for six projects, five of which are non-profit. Fillmore Market Place was one of the developments receiving funds.
- (g) The National Trust for Historic Preservation has committed \$150,000 for the Bush Street Synagogue development at 1881 Bush Street in the Western Addition A-2.

NEW BUSINESS (Continued) - CONSENT AGENDA

At the request of President Bagot, item (a) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (b) Authorizing the selection of financial advisors to assist the Agency in the issuance of multifamily housing refunding mortgage revenue bonds for various multifamily housing development.
- (c) Authorization for the Executive Director to travel to Madrid, July 15 - July 24, 1992, sponsored and paid by INTA-AIVN and ProMadrid to participate on the International Advisory Panel.
- (d) Authorizing a Letter Agreement to provide the continued services of an employee in connection with the Agency's Administration of the Mayor's Office of Special Projects.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (b), (c) AND (d), RESOLUTION NUMBERS 133-92, 134-92, AND 135-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (a) Mr. Helfeld introduced item (a), which requests authorizing a contract with the South of Market Foundation to fund its non-profit business venture, SOMA Steam Clean, in an amount of \$70,000 for Steam Cleaning Services in the South of Market.

In response to an inquiry from President Bagot regarding the controversy surrounding MEDA and the use of funds, Lucia Mele, Economic Development Specialist, indicated that the audit had not been completed and when this is accomplished she would report back to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-92 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which Commends and expresses appreciation to Dino Di Donato for his service to the South of Market Community. He has served as the Director of the SOMPSC since 1988 and has been instrumental in shaping and facilitating approvals of the south of Market Earthquake Recovery Redevelopment Plan adopted in June 1990. Mr. Di Donato is taking a leave of absence from SOMPSC for at a year in order to direct the Youth Leadership Program at Marietta College in Southern Ohio. During his absence, the Director's position will be filled by Raymond Colemanar.

President Bagot read the resolution commending Mr. Di Donato into the record.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-92 BE ADOPTED.

- (g) William Carney, Staff Architect, introduced item (g), which requests authorization of an Architectural Agreement for \$3,030,000 with LDA Architects, in association with Adele Naude Santos Associates, to provide architectural services for the Buildings on Central Block Three, in Yerba Buena Center.
- (h) William Carney, Staff Architect, introduced item (h), which requests authorization of a Landscape Architectural Agreement for \$1,200,000 with M. Paul Friedberg and Partners to provide landscape architectural services for the Children's Garden on Central Block 3 in Yerba Buena Center.

The Architectural Agreement with LDA Architects provides for complete architectural services, including construction observation, for a fixed fee of \$3,000,000, with another \$30,000 for future additional services. Since funding sources for the entire project are not yet secured, the contract provides for termination and/or phasing of the design and construction of the various buildings at the Agency's discretion. LDA is a minority-owned business enterprise (MBE) and Santos Associates is a woman-owned business enterprise (WBE), and the majority of their sub-consultants are also MBE/WBE's. The Landscape Architectural Agreement with M. Paul Friedberg provides for complete landscape architectural services, including construction observation, for a fixed fee of \$1,160,000, with another \$40,000 for possible future additional expenses. Since funding sources for the entire project are not yet secured, the contract provides for the termination and/or phasing of the design and construction of portions of the Garden at the Agency's discretion. The

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Agency's 1991-1992 budget includes funding the Schematic Design Phase which is scheduled for completion in December. The 1992-1992 budget includes funding for the Design Development Phase which is scheduled for completion in August, 1993. The Commissioners have been provided with details of the firm's affirmative action program, which staff finds acceptable.

Mr. King noted his concern that there is no African-American participation and inquired how this firm was selected. Mr. Carney indicated they are a small minority firm of six persons and they expect to gear-up on trainees and other under-represented groups. He also noted the Agency's selection process and indicated that the Agency provided the firm with a list, which is of all minority professionals in the Bay Area.

Ms. Bolanos noted that this discussion illuminates the need for a policy to address affirmative action for professional firms. Smaller firms, which are harder to diversify, may have an incentive when hiring trainees.

Mr. Kitahata indicated that the firm should not be penalized for not being a rainbow firm as it only has six persons. The Agency should look at all Agency contracts and not focus on each particular contract.

Mr. King indicated that he did not agree with Mr. Kitahata and each contract should be considered separately.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 138-92, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 139-92, BE ADOPTED.

- (i) David Madway, Agency General Counsel, introduced item (i), which requests authorization of a Twelfth Amendment to the Restated and Amended Disposition and Development Agreement ("DDA") between the Redevelopment Agency of the City and County of San Francisco ("Agency") and Yerba Buena Gardens, L.P. ("Developer"), which (I) amends and restates the Central Block 1 Retail Lease and (II) makes certain technical changes in the DDA which do not materially affect the rights and obligations of the Agency. The only change in the body of the DDA itself is a minor alteration in the provisions which identifies certain issues to be negotiated further. The CB-1 Retail Lease has been restated, in order to integrate all prior amendments into a single document.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-92 BE ADOPTED.

- (j) Ms. Bolanos introduced item (j), which is a workshop on minority participation in legal services. This workshop was brought about by Commission concern regarding Hispanic participation in legal

services contracts. A number of representatives of various firm and associations have been requested to participate in this workshop.

Ben Hattem, Agency Affirmative Action Officer, introduced the participants who spoke regarding this item in the following order: James Seff, Pillsbury Madison & Sutro and President of the San Francisco Bar Association; Kevin Fong, Pillsbury, Madison & Sutro and Co-Chair of the Bar Association's Committee on Minority Employment; William Hastie, Arnette and Hastie and Chair of the CMCP; Mara Rosales, General Counsel for the Airport; John Gamboa, Executive Director of the Latino Issues Forum; Enrique Ramirez, President of La Raza Lawyers Association; Jonathan Mayes, Vice President, Charles Houston Bar Association; Dennis Mesina, President of the Filipino Bar Association of Northern California; Joann Saki, Partner, Landels, Ripley & Diamond and President of the Asian-Pacific Bar of the Greater Bay Area; Clifton Jeffers, Partner in James, Jeffers & Williams and President of the William Hastie Bar Association; Ted Wang, San Francisco Lawyers' Committee and Counsel for Coalition for Economic Equity; Jose Garcia, Bronson, Bronson & McKinnon; Garrett Wong, Wong and Lee; Hector Chinchilla, Crosby, Heafey, Roach & May.

An extensive discussion ensued between the Commissioners, staff and the participants. A transcript of this discussion is on file with the Agency Secretary.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property locations and the entities the Agency may negotiate with are:

Parcel C-1 located on the northwest corner of Steuart and Folsom Streets in Rincon Point-South Beach with Caltrans; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hamrol Properties.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, June 19, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 19, 1992.

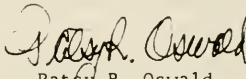
This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location is Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

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ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 10:03 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 21, 1992

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SF MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF JUNE, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of June, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata

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and the following was absent:

Haig G. Mardikian, Vice President

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Francine McKinney, San Francisco Housing Development Corporation; Dave Brigode, Housing for Independent People; Clifford Berg, Hospice by the Bay; Liz Risner, Executive Director, Travelers Aid Society; Mattie Bates, Maria Rocha and Mark Trotz, MOEPD; Al Williams, Yerba Buena Gardens, L.P.; Sue Hestor and Sue Bierman, Friends of the Gardens; and Joe Aliling, Filipino American Society of Architects and Engineers.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is a need for an additional Closed Session regarding Real Property Negotiations.
- (b) The next meeting on the Agency's Strategic Plan will be held on July 7 at 2:00 p.m. with Kent Sims of the Mayor's Office, Supervisor Kennedy, Commissioners Bolanos, King, Kitahata and staff.
- (c) On June 24 Agency staff held a workshop to discuss strategies in connection with the economic revitalization of the Western Addition community. The next workshop is planned for mid-July in the Hunters Point community.

Minutes of a Regular Meeting, June 30, 1992

- (d) The Mayor and the Hunters Point Shipyard Citizens Advisory Committee will hold a public hearing and workshop to discuss the future of the Hunters Point Shipyard on July 6, 6:00 p.m. to 8:00 p.m.
- (e) Supervisor Kennedy has requested a joint meeting of the Economic and Social Policy Committee and Redevelopment Agency to be held on July 14, 2:00 p.m., at City Hall in the Legislative Chambers. This will be a hearing to discuss the African-American Economic Empowerment Task Force recommendations for the \$3.2 million in Economic Development funds.
- (f) The Agency's office will be closed July 3 in observance of Independence Day.
- (g) Michael Kaplan, Project Coordinator, South of Market, indicated that on June 25, 1992 the SOMA Foundation held a workshop on the Sixth Street Corridor Facade Improvement Program at the Pontiac Hotel, 138 Sixth Street. He noted that it was extremely well attended by mainly business and property owners. The Agency's Facade Improvement Program provides loans to businesses and there have been 57 inquiries and 16 applications as a result. There will be more meetings to follow.
- (h) The Agency's Central Relocation Assistance Department will be assisting 149 senior and disabled persons because of a fire at 240 Jones Street to relocate to temporary housing and also sharing in the temporary housing costs with the American Red Cross.

NEW BUSINESS- CONSENT AGENDA

At the request of President Bagot, item (b) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Letter Agreement in an amount not to exceed \$72,000 with the City and County of San Francisco Department of Public Works, for Building Inspection Services for the period from July 1, 1992 to June 30, 1993; All Approved Redevelopment Project Areas and certain Housing Sites outside any redevelopment project areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 118-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) William Rumpf, Chief, Housing Production and Management, introduced item (b), which requests authorization of continuing exclusive negotiations with the San Francisco Housing Development Corporation (SFHDC) for the development of Site DD-2, located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point. He noted the Agency has been involved for about a year in doing home ownership education and prescreening for two developments.

In response to an inquiry from President Bagot, Francine McKinney, SFHDC, indicated more time is needed so they will be able to receive and evaluate responses to their Requests for Qualifications from Architects, Soils and Topographic Engineers and Surveyors.

Mr. Helfeld reported on items (c) through (j). He reported on the status of the Citywide Housing Program funding and noted that staff is making funding recommendations for eight projects, including six capital funding commitments and two predevelopment grants. The commitments recommended total \$3.4 million that includes 107 apartments, 55 SRO units, 50 group home beds, for a total of 212 additional dwelling units, plus a supplementary commitment to a previously funded 51 bed group home. For Fiscal Year 1991-1992, a total of 664 dwelling units, comprised of 439 apartments, 124 SRO units and 101 group home beds were funded, for an average of \$13,866 per dwelling unit.

- (c) William Rumpf, Chief, Housing Production and Management, introduced item (c), which requests authorization of a Grant and Regulatory Agreement with Housing for Independent People (HIP) for an amount not to exceed \$1,161,181 for the acquisition and rehabilitation of 820 O'Farrell Street as part of the Citywide Tax Increment Housing Program. The grant would be made conditioned upon the sponsor obtaining a financial commitment for the remainder of project funding upon approval of the Agency's 1992-1993 budget by the Board of Supervisors and several other conditions recommended by the Loan Committee. HIP proposes operating the 5-story apartment building, comprising 53 studios and 2 1-bedroom units, for very low-income, near homeless individuals and chronically mentally disabled individuals.

Dave Brigode, representing HIP, was present to support item (c) and answer questions.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-92 BE ADOPTED.

- (d) Philip Williams, Housing Development Specialist, introduced item (d), which requests authorization of a Loan Agreement with Hospice by the Bay for an amount not to exceed \$303,500 for the development of 51 units at 141 Leland Avenue as affordable permanent housing for people with AIDS/ARC or HIV infections, as

part of the Citywide Tax Increment Housing Program. In May, 1990, the Commission approved a \$1,250,000 loan to pay for the construction of the project. The developer is requesting \$180,000 to pay for construction cost increases, due to a delay in construction caused by neighborhood opposition and higher construction bids, and \$123,500 to replace Community Development Block Grant funding committed to the project by the Mayor's Office of Economic Planning and Development. \$123,500 TIHP funds would replace the CDBG funds committed to the project which the MOEPD staff have agreed to substitute for another housing project on which the tax increment housing commitment would be reduced.

Clifford Berg, representing Hospice by the Bay, was present to support item (d) and answer any questions.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-91 BE ADOPTED.

- (e) Mattie Bates, MOEPD, introduced item (e), which requests authorization of a \$370,000 Grant and Regulatory Agreement with Progress Foundation for the acquisition and rehabilitation of a site located at 212-214 Ashbury Street as part of the Citywide Tax Increment Housing Program. Progress Foundation, a non-profit organization currently providing residential treatment programs for adults with mental disabilities, proposes to purchase and rehabilitate the 10 bedroom property to provide group housing for 8 to 10 mentally disabled women and their children. The Agency's grant is conditioned on the sponsor obtaining McKinney funding in this year's funding cycle and raising the other funds necessary to make the project feasible.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-92 BE ADOPTED.

- (f) Maria Rocha, MOEPD, introduced item (f), which requests authorization of a \$725,000 grant to Travelers Aid Society of San Francisco for the acquisition and rehabilitation of a site located at 111 Page Street as part of the Citywide Tax Increment Program. Travelers Aid Society of San Francisco has been providing emergency housing and support services for homeless people and proposes to purchase an existing 24 unit motel for conversion to 14 units of transitional housing with supportive services for homeless families. The project will accommodate approximately 45 individuals. Travelers Aid has committed to providing approximately 18% of the total project costs through private fundraising efforts and are applying for Federal McKinney funds for an additional 43% of the costs. This grant, which has been approved by the loan committee of the Citywide Housing Program, will represent approximately 39% of the total project costs and is contingent upon the sponsor obtaining McKinney funds in this year's funding cycle.

Liz Risner, Executive Director, Travelers Aid Society, was present to support item (f) and answer questions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 123-92 BE ADOPTED.

- (g) Mark Trotz, MOEPD, introduced item (g), which requests authorization of a \$424,380 Grant and Regulatory Agreement with Swords to Plowshares for the acquisition and rehabilitation of 27 and 42 DeMontford Avenue as part of the Citywide Tax Increment Housing Program. Swords to Plowshares, a non-profit organization that provides services to Veterans, proposes to purchase two single family houses that will serve as a group residence for 16 homeless veterans with substance abuse problems and/or mental disabilities. They have applied for Federal McKinney funds and to the City's Supportive Housing Program for matching funds. The loan committee of the Citywide Housing Program has approved the grant request which is conditioned on the sponsor obtaining McKinney Transitional Housing Funds in this year's funding cycle.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-92 BE ADOPTED.

- (h) Mark Trotz, MOEPD, introduced item (h), which requests authorization of a \$299,988 Grant and Regulatory Agreement with CURAS for the acquisition and rehabilitation of a site 3503 23rd Street as part of the Citywide Tax Increment Housing Program. CURAS, a non-profit organization currently providing social services to people with HIV infection and AIDS, with an emphasis on providing services to the Latino community, propose to purchase and rehabilitate a 2 unit building that will provide group housing for ten homeless people with HIV or AIDS. CURAS is applying for Federal McKinney funds that will provide half of the purchase and acquisition funds and has applied to the City's Supportive Housing Program. The loan committee of the Citywide Housing Program has approved the grant request which is conditioned on the sponsor obtaining McKinney Transitional Housing Funds in this year's cycle.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-92 BE ADOPTED.

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions or voting on item (i) because a member of Catholic Charities is on the Board of Directors of the non-profit agency where he works.

- (i) Philip Williams, Housing Development Specialist, introduced item (i), which requests authorization of a Predevelopment Grant Agreement, not to exceed \$75,000, with Catholic Charities of the Archdiocese of San Francisco for the development of property located at the southwest corner of 7th and Howard Streets, as part of the 1991-92 Citywide Tax Increment Housing Program. On March 10, 1992, the Commission approved a Regulatory and Grant Agreement for \$830,000 with Catholic Charities of the Archdiocese of San Francisco for the acquisition and development of property located at 1101 Howard Street. The developer is proposing a 34 unit family rental housing development which will be affordable

to households earning 60% of median income or less. Just recently the developer was awarded funding commitments from the California Tax Credit Allocation Committee and the State's Rental Housing Construction Program and plans to begin construction by late 1992. The Predevelopment funding will pay for tax credit reservation fees, and appraisal, and engineering and toxic studies. The funding request has been approved by the TIHP Loan Committee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-92 BE ADOPTED.

- (j) Philip Williams, Housing Development Specialist, introduced item (j), which requests authorization of a Predevelopment Grant Agreement, not to exceed \$75,000, with the Shanti Project for the development of 1594 Market Street, as part of the Citywide Tax Increment Housing Program. Shanti Project is proposing to acquire and rehabilitate the Americana Suites Hotel, located at 1594 Market Street, as a 73 bed residential program that will offer permanent housing for low income or homeless people with AIDS/ARC or HIV infections. The Developer has exclusive rights to negotiate a lease with an option to purchase the property and has been awarded \$500,000 of Ryan White Care Funds to pay for operating and supporting services expenses related to the residential program. The TIHP Loan Committee has approved the request. Commission approval is recommended with the condition that the developer can only draw down \$30,000 of the predevelopment funding initially and must submit to the Agency an Appraisal Report, a Lease/Option to Purchase Agreement and a Financing Plan for Agency review and approval prior to disbursement of the balance of the funds.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-92 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests approval of a budget amendment to the Center for the Arts budget, Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (k), RESOLUTION NO. 127-92, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (1) Robert Gamble, Deputy Executive Director, Finance, introduced item (1), which requests approval of creation of a reserve for building the Childcare Center on CB-3 and committing \$3.5 million from expected revenues during fiscal year 1992/93 to assure the availability of funding for this facility during the following fiscal year.

Sue Hestor, Friends of the Gardens, indicated she appreciated staff getting this funding underway and looks forward to shifting more money from other areas for this purpose and the carousel.

Mr. Kitahata inquired if there is any program or geographic constraints or restrictions on use of the interest earnings and Mr. Gamble indicated that Community Development Block Grant Program income and tax increment bond proceeds both carry constraints. However staff does not feel that constraints come with either of those sources that will keep the Agency from using money for this purpose.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-92 BE ADOPTED.

- (m) James Nybakken, Administrative Services Officer, introduced item (m), which requests approval of a Request for Proposals for a Salary and Classification Study, which will cost in the range of \$45,000 to \$60,000 subject to Civil Service approval. Staff has prepared a draft RFP for consultant services to perform a salary and classification study, which will be distributed to various Human Resource Consultants. This action is one of a number of actions recommended by the Budget Analyst's Management Audit and the Controller's Audit that would address comparability of Agency positions to City jobs. This study is expected to begin by the end of August and take from five to six months to complete.

Joe Aliling, Filipino American Society of Architects and Engineers, indicated he sees this as an opportunity, but needs an affirmative action commitment from the Commission in terms of getting started.

Mr. King indicated his concern about contracts with firms out of the City and wants to keep Agency business in the City.

Mr. Nybakken indicated that several firms and individuals expressed interest and they are on the list, which includes Mr. Aliling. It will also be advertised in the City's Bid and Contract Opportunities Newsletter. He also indicated that if Mr. King had additional firms to add to the list he would be glad to do this.

Mr. King inquired if the Union had responded to this item and Mr. Nybakken indicated the proposal had been sent to both Local 790 and Local 21, but they had not yet responded.

A discussion ensued between the Commissioners and staff regarding the participation of minority firms in Agency contracts and Ms. Bolanos recommended that whenever an RFP is sent out that it be stated in bold letters that the Agency supports affirmative action for minority-owned and women-owned firms, which will be considered as one of the criteria in the bidding procedure.

After a discussion between the Commissioners regarding merit and longevity increases in this proposal, it was agreed to amend the RFP to delete the reference to merit increases.

Minutes of a Regular Meeting, June 30, 1992

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-92 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Al Williams, Yerba Buena Gardens, L.P. gave a brief history of the Yerba Buena Center since they had exclusives with the Agency and the significant contribution he believed YBG, L.P. had made to the project. He noted YBG, L.P. is still trying to obtain funds to meet their deadline payment and requested an extension to October 1 to give the firm an opportunity to secure investment partners for financing the development.

Sue Bierman, Friends of the Gardens, requested the Commission seriously consider an extension for Yerba Buena Gardens, L.P.

President Bagot announced that there would be a Closed Session to instruct the Agency's real property negotiator. The property is located on Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

RECONVENED

At this time, 7:00 p.m., the meeting reconvened back to the Regular Session with the same roll call.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) A discussion ensued between the Commissioners and staff regarding: the June 23 workshop on Minority Contractors; 24th Street Revitalization; the MEDA audit; YBC Cultural Center Budget; TODCO's request for a community center; the Chinatown Economic Development Task Force; Joint Meeting with the Board of Supervisors Economic and Social Policy Committee; Hugo Hotel; the Controller's audit and presentation.

President Bagot announced that there is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, June 26, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 26, 1992.

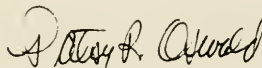
Minutes of a Regular Meeting, June 30, 1992

This item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 7:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 11, 1992

35
#4
7/92

SF Redevelopment Agency

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF JULY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of July, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata

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JUL 30 1992

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and the following was absent:

Buck Bagot, President (Arrived 4:33 p.m.)

The Acting President declared that a quorum was present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers; Yvette McCoy and Jaime Lockett, Progress Seven, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 9, 1992, and the minutes of the Closed Sessions of June 2, and 23, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Mr. Helfeld, Executive Director, has been called to a meeting at the Mayor's Office.
- (b) There is a need to add two items to the Closed Session agenda regarding Real Property Negotiations and one item to the Regular Agenda which relates to item 6 (a).
- (c) On July 6, the Mayor and the Hunters Point Shipyard Citizens' Advisory Committee held a public hearing and workshop to discuss the future of the Hunters Point Shipyard. Agency staff was in attendance and Mr. Helfeld reported on the status of negotiations with the United States Navy.

Minutes of a Regular Meeting, July 7, 1992

Mr. King indicated that approximately 250 people attended the meeting. In attendance were Supervisors Shelley and Gonzales and representatives from City Planning and the Public Utilities Commission. Also represented were the local Ohlone Indian and Samoan communities who are interested in being a part of the process.

- (d) Supervisor Kennedy has requested a joint meeting of the Economic and Social Policy Committee and the Redevelopment Agency which will be held on July 14 at 2:00 p.m. at City Hall in the Legislative Chambers. The Committee's calendar indicates the hearing is being held to: (1) consider how the Redevelopment Agency plans to distribute \$5 million allocated for economic development; and (2) discuss recommendations of the African-American Economic Empowerment Task Force for the \$3.2 million in economic development funds. Supervisor Kennedy has requested an explanation regarding the \$5 million for economic development and how it is planned to spend the remaining \$3.4 million. The African-American Economic Empowerment Task Force has been invited to attend as well as interested parties from Hunters Point and the Western Addition.

Ms. Bolanos requested the Commissioners be provided with a copy of the presentation staff plans to make at the meeting and that the Commission be apprised of any concerns staff is aware of that may be raised.

Mr. Suttle indicated that all relevant information will be provided to the Commission prior to the meeting.

- (e) On July 12, West Bay Community Development Corporation, Fillmore Center Associates, the Redevelopment Agency and the Third Baptist Church will hold an Open House for West Bay's Fillmore Community Center at the southeast corner of Fillmore and Eddy Streets.
- (f) Bids were received on July 6 for demolition of the Pier 42 Bulkhead Building. The apparent low bidder is Cleveland Wrecking Company at \$29,200. It is expected an award of the contract will be made at the June 28, 1992 meeting.
- (g) Requests for Proposals for Economic Development Programs for Employment Development Programs and Business Technical Assistance were received on July 6, 1992. Seven firms submitted proposals for Business Technical Assistance and five submitted proposals for the Employment Development Programs. Staff is reviewing the proposals and will report back.
- (h) The Steering Committee for the Agency Strategic Plan met on July 7. Supervisor Kennedy, Kent Sims and Ted Dienstfrey of the Mayor's Office, Commissioners Bolanos, King and Kitahata and staff were in attendance.

Ms. Bolanos noted that proposals have been received and interviews with firms that have responded will take place during the next several weeks. She suggested the Commissioners be

Minutes of a Regular Meeting, July 7, 1992

provided with a status report on the Committee's discussions on a monthly basis.

- (i) The Commissioners have been provided with an informational package regarding the Agency's Affirmative Action Programs. Staff is prepared to make a presentation on the overview of the program and its results at a workshop which will be scheduled in the near future.

In response to an inquiry from Ms. Bolanos, Ben Hattem, Agency Affirmative Action Officer, indicated that a response will be made to all letters received. It is planned to send thank you letters, accompanied by a tape transcript, to all participants as well as persons invited who could not attend.

Ms. Bolanos suggested that in the future a court reporter be present for this type of workshop.

President Bagot arrived at this time, 4:33 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Michele Davis, Housing Development Specialist, introduced item (a), which requests authorization of a Fourth Amendatory Agreement to the Land Disposition Agreement with Progress Seven, Inc. for the development of Parcel EE-1, located on the northerly corner of Newcomb Avenue at Whitney Young Circle in Hunters Point. This is a companion item to 6 (a) which requests authorization of the provision of an additional subsidy of \$99,418. The proposed amendment will revise the price of the subsidized units to the Developer and provide \$162,289 in additional mortgage subsidy and other related provisions. The LDA was approved on October 31, 1989 for the development of fifteen homes under the terms of the Affordability Program developed by the Agency. The Developer has requested a price increase to cover increased development costs and staff recommends approval of an increase of \$63,350 in total for the three remaining subsidized units. In addition, because the Developer and the Agency have been unable to identify many buyers in the 120 percent of median income category, staff recommends increasing the amount of the second mortgage subsidy to enable more buyers in the 80 percent and 100 percent median categories to purchase affordable units. To cover the price increase and the subsidy needed to make the units affordable to a lower income level, the current amount of subsidy will need to be increased by \$162,289 to a total mortgage subsidy of \$482,689, which amounts are inclusive of the \$99,418 requested under item 6 (a). The requested price increase is to defray some of the extra costs incurred since commencement of construction of approximately \$400,000. The Developer has agreed to bear all risks of selling two remaining market rate units and to request no further subsidy or price increases. Staff recommends the requested price increase of \$63,350 be approved for a combined total increase in second mortgage subsidy of \$212,289, which, when offset by a \$50,000 subsidy refund for the market rate units, will be a net

increase of \$162,289. The source of funds would be from construction subsidies allocated for Parcel X by Dukes and Dukes since that project is not moving forward and the Agency is proceeding with foreclosure action.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Thursday, July 2, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 2, 1992.

Ocie Mae Rogers noted her need for affordable housing.

President Bagot requested information on the total amount of subsidy for low- and moderate-income units produced, which Mr. Suttle indicated would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-92 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Suttle introduced item (a), which requests authorization to expend \$99,418 to provide mortgage assistance to low- and moderate-income buyers of affordable homes in the City View development located on Site EE-1, on the northerly corner of Newcomb Avenue at Whitney Young Circle in Hunters Point. It is requested this item be tabled.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATED THAT, SUBJECT OF THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 140-92, WOULD BE TABLED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) David Madway, Agency General Counsel, introduced item (b), which requests authorization for David M. Madway, Agency General Counsel, to travel to New York City on July 7, 1992 for the purpose of collecting a Letter of Credit in an amount of \$4.4 million in connection with the Yerba Buena Gardens project in Yerba Buena Center. The Agency has advised Olympia & York Companies (U.S.A.) that the deposit payment date of July 2, 1992 will not be extended. Under the terms of the Restated and Amended Disposition and Development Agreement between the Agency and Yerba Buena Gardens, L.P., a letter of default was sent. Now the default has occurred, it is necessary for the Agency to collect the Letter of Credit issued by Manufacturer's Hanover Bank and Trust Company, now merged into Chemical Bank and it is proposed that Agency General Counsel travel to New York City to

Minutes of a Regular Meeting, July 7, 1992

undertake this important transaction. This travel has been approved by the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-92 BE ADOPTED.

Acting President Mardikian announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Thursday, July 2, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON JULY 2, 1992.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and the entities the Agency may negotiate with are:

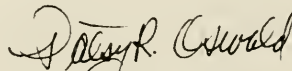
southwest corner of 10th and Market Streets with Bank of America; and

Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 21, 1992

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JULY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco and the Board of Supervisors' Economic & Social Policy Committee of the City and County of San Francisco met for a Special Meeting in the Legislative Chambers of City Hall, San Francisco, California at 2:35 p.m. on the 14th day of July, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata

DOCUMENTS DEPT.

and the following was absent:

Buck Bagot, President

JUL 25 1992

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The Acting President declared that a quorum was present.

The following members of the Board of Supervisors were also present:

Willie B. Kennedy
AnneMarie Conroy

and the following was absent:

Roberta Achtenberg

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Supervisor Gonzales; Jim Jefferson, African-American Economic Empowerment Task Force; Kent Sims, Mayor's Office; Harold McCoy; Fred Jordan, President of the Black Chamber of Commerce; Andrew John-Pierre; Geraldine Johnson; Dr. Eddie Welbon; Lafayette (Jamie) Jamerson; Carl Williams, President of the Black Leadership Forum; Mel Miles, President, Western Addition Concerned Citizens Organization (WACCO); Orelia Langston, WACCO; Bob Davis, Fillmore Center; Mary Ratcliff; Louise Vaghn; Claudai Degan; Rev. Amos Brown; Carol Tatem; Willie Ratcliff; Ray Jones, Urban Economic Development Corporation; and Essie Collins, WACCO.

Joint Public Hearing with the Board of Supervisors' Economic & Social Policy Committee of the City and County of San Francisco (1) consider how the Redevelopment Agency plans to distribute \$5 million allocated for Economic Development; and (2) to consider the African-American Economic Empowerment Task Force recommendations for the remaining \$3.4 million in Economic Development Funds.

Minutes of a Special Meeting, July 14, 1992

Supervisor Kennedy noted that this hearing has been called because it has been three years since the funds were allocated and their expenditure is pending adoption of an implementation plan by the Redevelopment Agency Commission.

Mr. Helfeld and Leamon Abrams, Chief, Economic Development, made presentations on behalf of the Redevelopment Agency and noted the purposes for which funds out of the \$5 million have been allocated to date as well as the African-American Economic Empowerment Task Force (Task Force) recommendations for expenditure of the remaining \$3.4 million.

Jim Jefferson made a presentation of the Task Force recommendations.

Supervisor Kennedy proposed an amendment to the recommendations whereby \$1 million be used to establish a Youth Pilot Employment Program with \$500,000 each to be allocated to the Western Addition and Hunters Point areas with the remaining \$2.4 million to be allocated for business loans.

Mr. Helfeld noted that the Finance Committee who is considering the Agency's budget have put the funds on hold pending adoption of an implementation plan by the Commission. If a plan is not adopted, the money could be lost.

Mr. King indicated that it had been his understanding this hearing is for a presentation of the Task Force recommendations and that action would not be taken today.

Acting President Mardikian indicated that the Commission is here to hear the Task Force recommendations and could take action today to adopt the proposal or the proposal as amended.

In response to an inquiry from Ms. Bolanos, Supervisor Gonzales described the proposed Youth Employment Pilot Program and plans to implement it which will come back before the Commission, however, time is of the essence.

Supervisor Kennedy spoke in support of the youth program which was suggested by Geraldine Johnson and requested approval of the proposed amendment. She indicated that funds for the program will also be sought from other City Departments.

In response to an inquiry from Ms. Bolanos, Mr. Jefferson provided information on the revolving loan fund.

Ms. Bolanos noted the importance of promoting access to capital.

The following persons spoke (in support of the Task Force recommendations:) Harold McCoy; Fred Jordan, President of the Black Chamber of Commerce; Andrew John-Pierre; Geraldine Johnson; Dr. Eddie Welbon; Lafayette (Jamie Jamerson); Carl Williams, President of the Black Leadership Forum; Mel Miles, President, Western Addition Concerned Citizens Organization (WACCO); Orelia Langston, WACCO; Bob Davis, Fillmore Center; Mary Ratcliff; Louise Vahn; Claudia Degan;

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Rev. Amos Brown; Carol Tatem; Willie Ratcliff; Ray Jones, Urban Economic Development Corporation; and Essie Collins, WACCO.

Supervisor Kennedy read a letter of support for the Task Force recommendations from Espanola Jackson, District 7 Democratic Club.

Kent Sims, Mayor's Office, conveyed Mayor Jordan's appreciation to the Task Force for their recommendations which he endorses. He urges the Redevelopment Agency to adopt the proposed plan and amendment. Mr. Sims noted that the Office of Housing and Community Development has a technical problem regarding CDBG funds for Hunters Point and efforts will be made to resolve that problem.

Supervisor Kennedy noted for the record that jobs are a part of economic development as well as businesses and urged the Commission to take action on the Task Force recommendations and the proposed amendment.

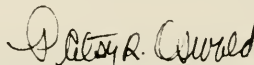
Mr. King noted his concern regarding the process which had not made it clear that action would be taken today.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT WITH REGARD TO THE BALANCE OF UNALLOCATED ECONOMIC DEVELOPMENT FUNDS IN THE AMOUNT OF \$3,427,037, (1) \$1 MILLION BE ALLOCATED TO A PILOT YOUTH EMPLOYMENT PROGRAM TO BENEFIT EQUALLY THE WESTERN ADDITION AND HUNTERS POINT PROJECT AREAS WITH THE STRUCTURE TO BE RECOMMENDED BY AGENCY STAFF AS SOON AS POSSIBLE AFTER CONSULTATION WITH THE BOARD OF SUPERVISORS (PARTICULARLY SUPERVISORS KENNEDY AND GONZALES), THE MAYOR'S OFFICE AND THE COMMUNITY; AND (2) ALLOCATE THE BALANCE OF UNALLOCATED FUNDS (\$2,427,037) TO A SMALL BUSINESS REVOLVING LOAN PROGRAM, WITH THE LOAN PROGRAM REVISIONS RECOMMENDED BY THE MAYOR'S AFRICAN-AMERICAN ECONOMIC EMPOWERMENT TASK FORCE IN SECTION IVA OF ITS FINAL REPORT. IT IS THE SENSE OF THIS COMMISSION THAT THESE PROGRAMS BE BROUGHT BACK BEFORE THE COMMISSION FOR IMMEDIATE IMPLEMENTATION AND FURTHER ACTION AS NECESSARY.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Patsy A. Oswald
Agency Secretary

APPROVED

August 18, 1992

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7/14/92

SF MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JULY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 5:15 o'clock p.m. on the 14th day of July, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following was absent:

Buck Bagot, President

The Acting declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Scott Miller and Noriaki Hirasuna, Director, Office of the Controller, Audits Division; Joel Lipski, Mayor's Office of Housing; Pam Edwards and Kui Lee, KPMG Peat Marwick; and Lonnie Dillard, Williams, Adley & Company.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Requests for Proposals for Economic Development Programs for Employment Development Programs and Business Technical Assistance were received on July 6, 1992. Seven firms submitted proposals for Business Technical Assistance and five submitted proposals for the Employment Development Programs. Staff is reviewing these proposals and will make their recommendations at the July 21, 1992 meeting.
- (b) On July 15, 6:30 p.m., there will be a New Bayview Committee Meeting at the Southeast Community College regarding the Small Business Loan and Investment Program.
- (c) On July 16, 5:30 p.m., there will be a Martin Luther King, Jr. Civic Committee planned meetings at Bethel AME, Laguna and Golden Gate Avenue.

Minutes of a Regular Meeting, July 14, 1992

- (d) David Madway, Agency General Counsel, returned from New York with the Olympia & York Letter of Credit collected in an amount of \$4.4 million.
- (e) Gene Suttle, Senior Deputy Executive Director, noted that the Martin Luther King, Jr. Civic Committee has scheduled a groundbreaking for the Martin Luther King, Jr. Memorial at 11:00 a.m. on August 15 to which the Commissioners will be receiving invitations.
- (f) Robert Gamble, Deputy Executive Director of Finance, noted that because of the current low municipal bond interest rates, during the next few months staff will be investigating whether refinancing and refunding will be beneficial to the Agency and will possibly be bringing proposals before the Commission in this regard.

NEW BUSINESS- CONSENT AGENDA

At the request of Ms. Bolanos, item (b) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an expenditure of \$106,200 for the second and third years of services under a three year Personal Services Contract for audit of the Agency's financial records with KPMG Peat Marwick and its Joint Venture Partner Williams Adley & Company.
- (c) Authorizing Agency participation in the California Energy Commissions' Energy Partnership Program; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (c), RESOLUTION NUMBERS 143-92 AND 145-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Personal Services Contract with Wes Willoughby in an amount not to exceed \$42,000 for the period July 1, 1992 through June 30, 1993.

Ms. Bolanos inquired regarding the extent of Mr. Willoughby's services and Mr. Helfeld indicated that his highly effective services and professional skills are needed for press releases, newsletters and annual reports. Mr. Willoughby is extremely helpful in explaining the Agency's programs to the press and providing them with factual information as well as advising on relationships with City Hall. The Agency is fortunate to have his services because of his past experience.

Minutes of a Regular Meeting, July 14, 1992

Mr. Mardikian indicated that it has been his experience over the past eleven years that Mr. Willoughby has done an outstanding job in getting the real facts out about the Agency when it had been felt the press had not fairly reported.

Mr. King noted his concurrence with Mr. Helfeld's and Mr. Mardikian's comments.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which is a presentation of Controllers' Audit findings.

Scott Miller, Office of the Controller, Audits Division, made a presentation on the audit findings. He indicated that the Agency had been quick to implement many of the recommendations of the audit and it has been a very beneficial process.

In response to an inquiry from Mr. Kitahata regarding remaining points of contention between the audit findings and the Agency's responses, Mr. Miller indicated that the pertinent recommendations have been agreed upon and other items are points of view which can be further discussed and reviewed at a later time. An item that could be further discussed is how much farther projects can be looked at, not only as Redevelopment goals and objectives, but in terms of costs and benefits to the City as a whole. It is understood that the Agency's goal is to build housing but how many times is building housing looked at as opposed to commercial and the costs associated with that to the City.

Mr. Kitahata indicated that this is a point that has been discussed at length and the difficult part is costs and benefits can also have social and political aspects which need to be balanced. However, the idea of applying a screen of a cost benefit analysis as opposed to thinking there is one cost benefit analysis is a good point to bring to the Agency's attention.

Ms. Bolanos indicated that the audit suggestions have been helpful in the implementation of a Strategic Plan and Mr. Miller noted he is pleased this recommendation is going forward because it is a vital and important project for the Agency.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Third Amendment, which increases the amount payable by \$775,000 under the Construction Management Contract with Turner Construction Company in connection with Yerba Buena Center. It is recommended this item be continued for two weeks in order to review the firm's affirmative action program.

Mr. King indicated that he would not be present at the July 28, 1992 meeting and requested that item (e) be continued for three weeks.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 146-92, WOULD BE CONTINUED TO THE MEETING OF AUGUST 4, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Helen Sause, Project Director, Yerba Buena Center, introduced item (f), which requests authorization of the issuance of a Request for Qualifications (RFQ) to prospective developers for the development of Parcel 3751-H located at the northeasterly corner of Fourth and Harrison Streets and approving advertising expenses in an amount not to exceed \$6,000 in connection with the offering of the parcel in Yerba Buena Center. Taldan Investment Company was unable to obtain financing for the development of a supermarket with 148 housing units above and on June 3, 1992 the Land Disposition Agreement (LDA) terminated by its own terms. It is therefore proposed to remarket the site under an offering that provides a developer an option to develop the site in two construction phases as a mixed-use development of a supermarket with housing above. The option to phase construction of the development will provide for: completion of the supermarket component within a nine to twelve month period; and completion of the housing component within five years after completion of the supermarket. The disposition price of the site is \$2.3 million. If the developer elects to phase the development then no additional fee will be required. However, if it is elected to phase the construction of development and defer a portion of the disposition price, a fee may be required. Upon Commission approval, the RFQ will be issued within ten days and prospective developers will have thirty days in which to submit responses. The Commission has been provided with information on the criteria that will be used in the selection process. To assure public awareness of this development opportunity, the offering will be extensively advertised and all developers that have expressed an interest in the site will be notified.

Acting President Mardikian read a written communication from John Elberling, TODCO, expressing appreciation to the Commission and staff for their commitment to this vital project.

In response to an inquiry from Mr. Mardikian, Ms. Sause indicated that it would be desirable for the supermarket and housing to be built at the same time, but this might not be feasible. However, in the event the project is phased, it will not be necessary to close the supermarket during construction of the housing.

In response to an inquiry from Mr. King regarding the Cala lease for the supermarket, Ms. Sause indicated that it will be necessary to renegotiate a lease with another developer and that the process will be open to other interested supermarket operators.

Mr. Helfeld noted that Lucky Stores are interested in supermarket sites in the City and have been provided with the RFQ for the Fourth and Harrison site.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-92 BE ADOPTED.

- (g) Joel Lipski, Mayor's Office of Housing, introduced item (g), which requests authorization of an amendment to the Regulatory and Grant Agreement with Indochinese Housing Development Corporation (IHDC) which increases the existing grant amount of \$677,025 by \$75,000 for relocation expenses related to the acquisition and rehabilitation of 35 rental units at 375 Eddy Street as part of the City-wide Tax Increment Housing Program (TIHP). In June 1991, IHDC was granted \$677,025 out of the City-wide Tax Increment Housing Program to acquire and rehabilitate the building and subsequently a funding commitment of approximately \$41 million was secured from the State Housing Rehabilitation Program. Although two studio apartments in this particular building are not overcrowded according to local regulations, the State Office of Housing and Community Development is requiring that all rehabilitated units comply with State occupancy standards regarding over-crowding and the expenses being requested are to relocate two households found to be over-crowded according to the requirements of the State Housing Code. It may not actually be necessary to expend the funds and efforts will be made to relocate the families in other affordable housing projects in the City. The amendment to the Grant Agreement has been approved by the TIHP Loan Committee.

In response to an inquiry from Mr. Kitahata, Mr. Lipski indicated that the interpretation by the State Attorney's Office of the legislation that authorized this particular funding program requires compliance with State law rather than local. There is a deadline of July 21 for closing of the CHRP loan which does not permit time to attempt to change that interpretation.

Mr. Kitahata indicated he would move this item with a request that further efforts be made before funds are disbursed to see if local regulations on overcrowding, rather than State, can be applied to the project because these funds could be used to create another affordable housing unit.

Mr. Lipski indicated that all efforts will be made to exempt the Agency from having to provide this funding.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos noted that she will be a speaker at a workshop next week on Economic Development moderated by Supervisor Gonzales. The Commission and staff will be provided with further details.

Minutes of a Regular Meeting, July 14, 1992

Acting President Mardikian announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is Caltrans.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, July 10, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

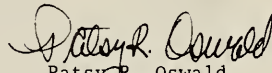
MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 10, 1992.

This item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 18, 1992

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JULY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of July, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata

DOCUMENTS DEPT.

and the following was absent:

None

JUL 25 1992

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The President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director, and staff members were also present.

Also present were: John Long, SMWM Architects; Lynn Yandell, Architect; Paul Pettersen, Danny Cook, Calvin Hayes and Vanessa Young, Turner Construction Company; Raymond Colmenar, South of Market Problem Solving Council; Amelita Pascual, South of Market Foundation; Stan Smith, San Francisco Building and Trades Council; Edward Evans, North of Market Planning Coalition and Advisor to the Senior and Disabled Concerns Committee; Bob Davis, Fillmore Center; Richard Brown, Lefty Gordon, Millard Larkin, II, Mary Trammell, Sydney Martin and Elouise Patton, Ella Hill Hutch Community Center; Ed de La Cruz, Westbay Pilipino Multiservice Center; Ray Jones and Inno Ekeh, Urban Economic Development Corporation; Essie Collins, Western Addition Concern Citizens Organization; Arnold Townsend; Lesa Fontaine, Jeffrey Washington, Rauch Grant and Claudia Vel, San Francisco Renaissance; Bob Turner; James Hooker; Etienne Le Grand, Women's Initiative for Self Employment; Stanley Pauer, Ellen Lieber, Robert Planthold and John Cailleau, San Francisco Physically Disabled Quorum; Steve Mayers; Harold Yee, Bryant Wong, Alan Wong, Edwin Cheung and Dedy Rusali, Asian, Inc.; Tom Duong, H & P Auto Repair; Henry Perez; Tom McKnight; Laroy McDonald; and Don Marcos, Mission Hiring Hall.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of June 23, 1992 and July 7, 1992, as distributed by mail to the Commissioners, be approved.

Minutes of a Regular Meeting, July 21, 1992

President Bagot referred to the July 7, 1992 minutes and inquired regarding possible legal action by the developer of Parcel EE-2 in Hunters Point. David Madway, Agency General Counsel, indicated it is anticipated that it will be withdrawn, however, the Commission will be kept advised of developments.

REPORT OF THE PRESIDENT

- (a) President Bagot announced that Millard Larkin, II of the Ella Hill Hutch Community Center has requested a plaque be presented to Agency employee, Jennifer Grover in appreciation of her services.

Ms. Grover accepted the plaque.

- (b) In response to an inquiry from President Bagot, Mr. Suttle reported on a Special Meeting held on July 14 with the Economic and Social Policy Committee of the Board of Supervisors at which the Commission adopted an implementation plan for the expenditure of \$3.4 million remaining in economic development funds. \$1 million is to be allocated to a Pilot Youth Employment Program and the balance to a Small Business Revolving Loan Program with loan program revisions recommended by the Mayor's African-American Economic Empowerment Task Force.

President Bagot requested Ingfei Chen of the Chronicle be contacted by staff to clarify the actions taken at the July 14 Special Meeting.

President Bagot noted that it is important that the implementation plan move forward as quickly as possible and requested staff report in two weeks on the status of the funds being released.

Mr. Suttle indicated that approval by the Finance Committee of the Board of Supervisors is required before there can be any expenditure of funds.

- (c) President Bagot noted that he had requested Mr. Suttle to contact the three nominees for the Agency Commission to indicate the Commission will be pleased to begin orienting them even though they are not technically appointed until approved by the full Board of Supervisors.

Mr. Suttle indicated that he is in the process of contacting the nominees to offer any services they might require prior to their confirmation. The nominations will be before the Administrative and Oversight Committee of the Board of Supervisors on August 11 and before the full Board thereafter.

- (d) President Bagot requested a note be sent to the Mayor's Western Addition and Bayview/Hunters Point Economic Planning and Development Task Forces indicating that the Commission is eager for their input and first reports.

Minutes of a Regular Meeting, July 21, 1992

Mr. Suttle indicated that the Commission has been provided with a list of Task Force members and information on meetings scheduled which will be attended by staff members Byron Rhett and Leamon Abrams.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) It is recommended that item 6 (e), a First Amendment to the contract with the South of Market Foundation, be continued to August 11, 1992.
- (b) It is requested that item 6 (i), a workshop, be considered as the first agenda item due to time constraints of the project's architects.

President Bagot indicated that there has been a request to hear item 6 (c) before considering the remainder of items regarding the Agency's Service Providers.

- (c) There is a need for an additional Closed Session regarding Real Property Negotiations.
- (d) On July 22, Commissioner Bolanos will be attending an OEDP Conference and Panel Session, at which the 24th Street Revitalization project will be discussed. Leamon Abrams, Chief of Economic Development, will also be in attendance.
- (e) On July 20, the Agency's budget was to have been considered by the Board of Supervisors. However, upon return from the Democratic Convention in New York, Supervisor Achtenberg requested additional information for review by herself and the Budget Analyst. As a result, the budget was re-referred back to the Finance Committee and its Chairman has proposed and scheduled a special hearing at 1:00 p.m. on July 27 of the Finance Committee at City Hall.

Robert Gamble, Deputy Executive Director, Finance, noted that the concerns raised by Supervisor Achtenberg relate to: legal services costs; contingencies costs; economic analysis; and the Center for the Arts. These matters have been discussed with the Budget Analyst's Office and a written response is being prepared. Staff has scheduled a meeting with Supervisor Atchtenberg for July 24.

- (f) There will be a SOMBA groundbreaking ceremony on July 23 and an invitation has been extended to Mayor Jordan to attend the event.
- (g) David Madway, Agency General Counsel, reported that a law suit brought against the consulting engineers for the South Beach Harbor had been settled two years ago for just over \$1 million. However, the Agency reserved from the settlement a requirement that one of the insurance carriers proceed on the Agency's behalf

Minutes of a Regular Meeting, July 21, 1992

further against the defendant on one final claim and as a consequence the Agency will receive an additional \$50,000 in that litigation. The Agency was represented by Steve Zovikian of the law firm of McCutchen, Doyle, Brown & Enersen.

- (h) Mr. Suttle indicated that in response to concerns raised by Mr. King regarding the Turner Construction Company contract, the Commissioners have been provided with a written report prepared by the Agency's affirmative action staff.

Joe Lejarza, Agency Affirmative Action Officer, made a presentation on Turner Construction Company's affirmative action program.

President Bagot indicated that item (i) would now be considered. He noted that, although there is no technical conflict of interest, he would refrain from discussions and voting on this item because a member of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 4:40 p.m., President Bagot turned the Chair over to Mr. Mardikian.

- (i) Philip Williams, Housing Development Specialist, introduced item (i), which is a workshop is to review the Schematic Design for a project sponsored by Catholic Charities of the Archdiocese of San Francisco located at 1028 Howard Street in the South of Market. Subsequent to authorization of Exclusive Negotiations in June 1991, an Option to Lease Real Property was approved with Catholic Charities who proposes to construct thirty units of family rental housing affordable to very low income and low income households. Project amenities include one parking space for each unit, community space, an outdoor courtyard, laundry facilities and commercial space at street level. The Developer has been awarded funding commitments from the State's Rental Housing Construction Program and the California Tax Credit Allocation Committee and construction is expected to occur by the end of 1992. In September 1992, the Commission will be requested to authorize a Ground Lease which will require the units to remain affordable for a 55 year period. The Agency plans to lease the property to the Developer for \$1 per year to ensure affordability levels. The design review process included a presentation to the South of Market Problem Solving Council's Housing Sub-Committee and the Developer has held meetings in the community to solicit comments from residents and potential tenants. Staff finds the schematic design drawings acceptable without major concerns.

John Long, SMWM Architects, made a design presentation and responded to questions from Lynn Yandell, Architect, regarding accessibility for disabled persons.

At this time, 4:50 p.m., President Bagot resumed the Chair.

UNFINISHED BUSINESS

Minutes of a Regular Meeting, July 21, 1992

- (a) Elena Branick, Senior Architect, introduced item (a), which requests authorization of a Third Amendment to the Construction Management Contract with Turner Construction Company in connection with Yerba Buena Center. As construction progressed, unanticipated problems have been encountered with construction on top of the existing Moscone Convention Center expansion and the proposed amendment will provide for additional services and staff required to ensure the timely and efficient construction of the Agency's on-going projects, the Visual Arts Center, the Yerba Buena Theater and the Esplanade. The additional staff would include the position of an Assistant Superintendent which would be contracted with the Allen Group, a women-owned business firm. There is also a need for additional soils testing and inspection which would be performed by AGS, Inc and Signet Testing, both Minority Business Enterprises (MBE). The proposed amendment will increase the amount payable by \$775,000 for a total contract amount of \$3,997,385 which is within the overall Yerba Buena Gardens budget. The Commissioners have been provided with details of Turner's affirmative action program, which staff finds acceptable.

Ms. Branick introduced Paul Pettersen, Danny Cook, Calvin Hayes and Vanessa Young of Turner Construction Company.

In response to an inquiry from President Bagot, Ms. Branick indicated that the amount being requested is in addition to that initially approved and will be funded by the 10 percent contingency under the contract.

President Bagot noted his concern regarding costs and indicated that when there is an increase in the Yerba Buena Center budget items it should be made very clear.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-92 BE ADOPTED.

NEW BUSINESS (Continued)

- (a) James Nybakken, Administrative Services Officer, introduced item (a), which requests approval of a Revised Records Retention Program. The Records Retention Program, which includes a statement of records, management objectives, records retention policy and individual records retention schedules for each division, was formally adopted in 1987. Earlier this year, an Agency Task Force was appointed to re-evaluate the records program as part of a periodic review and in response to Budget Analyst's Management Audit recommendations. Another audit recommendation concerned the possibility of using an outside contractor for completing the microfilming portion of the records program and funding for Central Records, which administers the Agency's record management program, has been placed in reserve by the Board of Supervisors, effective September 1, 1992, pending the outcome of a cost analysis for contracting the microfilm operation. In this connection, the Agency was directed to prepare a Request for Proposals and present the results in a

Minutes of a Regular Meeting, July 21, 1992

report to the Commission. A second report will be prepared by the end of August which will address the feasibility of contracting out certain microfilm services. The Commissioners have been provided with the revisions proposed by the Task Force to the records management program.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-92 BE ADOPTED.

President Bagot announced that it is proposed to continue item (e), an amendment to the contract with the South of Market Foundation, to August 11, 1992, and inquired if any persons wish to speak on this item.

Raymond Colmenar, South of Market Problem Solving Council, noted a number of merchants and residents had made arrangements to be present to hear this item and should be given an opportunity to provide support to the staff recommendation to award the contract to the South of Market Foundation.

Mr. King indicated that this would not be the correct procedure because representatives of Asian, Inc. left the meeting when continuance of the item was announced earlier and both parties should be present when this item is discussed.

President Bagot noted his concern regarding the community being provided an opportunity to give testimony and suggested contacting Asian, Inc. to request the representatives return to the meeting. The speakers could then be heard under item 9 on the agenda when both parties involved are present.

Mr. King indicated that he did not agree with this procedure and this is a decision for the Commission not the public.

Amelita Pascual, South of Market Foundation, noted that the contract expires on July 31 and the Foundation does not have sufficient funds to continue operations until August 11.

Mr. Suttle indicated that the Executive Director has the authority to extend the contract without materially increasing the Agency's financial exposure.

Following further discussion between the Commissioners and staff, the following motion was made:

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND CARRIED, WITH COMMISSIONERS BAGOT AND BOLANOS OPPOSING, THAT THERE BE NO FURTHER DISCUSSION AT THIS TIME ON ITEM (e), RESOLUTION 153-92, AND IT BE CONTINUED TO THE MEETING OF AUGUST 11, 1992.

President Bagot indicated that if anyone cannot be present to hear this item on August 11, they will have an opportunity to address the Commission under item 9 on the agenda.

President Bagot indicated that item (c) would now be considered.

Leamon Abrams, Chief, Economic Development, indicated that items (b) through (h) relate to one year contracts with economic service providers, the proposals for which were submitted in response to a Request for Proposals issued by the Agency for the Hunters Point/India Basin, Western Addition and South of Market Project Areas. The Commissioners have been provided with a summary evaluating the responses. It is proposed that the contracts be reviewed after a six month period to ensure the service providers are meeting the goals contained in their plans. It is believed this review will enhance accountability and ultimately improve services for the community.

- (c) Isabella Wong, Assistant Economic Development Specialist, introduced item (c), which requests authorization of a Third Amendment to the Personal Services Contract with Young Community Developers (YCD) to provide employment development assistance in an amount not to exceed \$200,000 for the period August 1, 1992 through July 31, 1993 in connection with Hunters Point/India Basin.

Stan Smith, San Francisco Building and Trades Council, spoke in support of item (c).

Edward Evans, North of Market Planning Coalition, indicated that there is a need for employment development, however, there needs to be a certain amount of outreach to disabled persons.

Mr. Suttle noted that compliance with the American Disabilities Act is a requirement of Office of Community Development and Redevelopment Agency funding. Not only must services be provided but the facilities in which the services are provided should comply with the Act. It is suggested that Ella Hill Hutch Community Center, Young Community Developers and Mission Hiring Hall be requested to provide information on their experience in the matter of referrals and job placements for the disabled and staff report back in two weeks.

President Bagot indicated that it would be satisfactory for staff to report back in two weeks as suggested by Mr. Suttle, at which time Mr. Evans may wish to make additional comments.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-19 BE ADOPTED.

- (b) Isabella Wong, Assistant Economic Development Specialist, introduced item (b), which requests authorization of a Fifth Amendment to the Personal Services Contract with Ella Hill Hutch Community Center (EHHCC) to provide employment development services in an amount not to exceed \$266,000 for the period August 1, 1992 through July 31, 1993 in connection with the Western Addition A-1 and A-2.

Minutes of a Regular Meeting, July 21, 1992

The following persons spoke in support of item (b): Bob Davis, Fillmore Center, Stan Smith, San Francisco Building and Trades Council; and Richard Brown, EHHCC.

Mr. Brown introduced EHHCC staff members: Lefty Gordon; Millard Larkin, II; Mary Trammell; Sydney Martin; and Elouise Patton.

In response to an inquiry from Mr. Brown, President Bagot indicated items on the agenda had been moved forward because of requests received to consider the items earlier due to time constraints.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-92 BE ADOPTED.

- (d) Isabella Wong, Assistant Economic Development Specialist, introduced item (d), which requests authorization of a Third Amendment to the Personal Services Contract with Mission Hiring Hall, Inc. to provide employment development assistance services in an amount not to exceed \$220,000 for the period August 1, 1992 through July 31, 1993 in connection with the South of Market and Yerba Buena Center.

The following persons spoke in support of item (d): Stan Smith, San Francisco Building and Trades Council; Ed de la Cruz, Westbay Filipino Multiservice Center; and Lefty Gordon, EHHCC.

Mr. Kitahata thanked staff for following up on sending an RFP to the Filipino-American Council of San Francisco because, although he supports the service providers recommended by staff, the Agency needs to be responsive to other organizations who may wish to submit bids.

Mr. Kitahata requested his concern regarding the uneven mix of ethnic groups in construction hiring throughout the various project areas, be conveyed to the service providers.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-92 BE ADOPTED.

- (e) Mr. Suttle indicated that item (e), which requests authorization of a First Amendment to the Contract with the South of Market Foundation in an amount not to exceed \$150,000 in connection with the South of Market, would be continued to the meeting of August 11, 1992. He noted that persons wishing to speak on this item from the South of Market had made a decision to return on August 11, 1992. However, as pointed out by President Bagot, there will be an opportunity to speak under item 9, Persons Wishing to Address the Members on Non-Agenda, but Agency related matters.

Mr. Suttle indicated that revisions to the amounts under items (f) and (g) will be requested.

- (f) Leamon Abrams, Chief, Economic Development, introduced item (f), which requests authorization of a Third Amendment to the Personal

Minutes of a Regular Meeting, July 21, 1992

Services Contract with Urban Economic Development Corporation (UEDC), for technical assistance services in an amount not to exceed \$170,000 for the period August 1, 1992 through July 31, 1993, in connection with the Western Addition A-1 and A-2 and Hunters Point/India Basin. It is requested that the amount of the amendment be increased to \$190,000.

Ray Jones, and Inno Ekeh, UEDC, gave a status report on UEDC's programs.

The following persons spoke in support of item (f): Bob Davis, Fillmore Center; Essie Collins; Lefty Gordon, EHHCC; and Arnold Townsend.

In response to an inquiry from President Bagot, Mr. Abrams indicated that UEDC's responsibilities will include: business education; business counseling; classroom training; loan packaging; and on-going management assistance.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-92, AS AMENDED, BE ADOPTED.

- (g) Leamon Abrams, Chief, Economic Development, introduced item (g), which requests authorization of a Personal Services Contract with San Francisco Renaissance (SFR) for technical services in an amount not to exceed \$25,000 for the period August 1, 1992 through July 31, 1993 in connection with the Western Addition A-1 and A-2 and Hunters Point/India Basin. It is requested that the amount of the amendment be increased to \$30,000.

The following persons spoke in support of item (g): Lesa Fontaine Rauch Grant and Jeffrey Washington, San Francisco Renaissance; Bob Turner; and James Hooker.

Mr. Kitahata commended staff for diversifying the number and type of service providers and indicated his support of the approach of evaluating the services after a six month period.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-92, AS AMENDED, BE ADOPTED.

- (h) Leamon Abrams, Chief, Economic Development, introduced item (h), which requests authorization of a Personal Services Contract with the Women's Initiative for Self Employment (WISE) for technical assistance services in an amount not to exceed \$40,000 for the period August 1, 1992 through July 31, 1993 in connection with the Western Addition A-1 and A-2 and Hunters Point/India Basin.

Etienne Le Grand, WISE, made a presentation and responded to questions from President Bagot regarding the program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 156-92, BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Suttle indicated that staff is proceeding towards demolition of the Pier 42 Bulkhead Building.
- (b) President Bagot noted that for informational purposes of those involved in the preparation of the Agency's Strategic Plan, Mayor Jordan's six month report refers to consolidating the Housing Authority, the Mayor's Office of Housing and the Agency.

Mr. Kitahata indicated that during discussions of the Strategic Plan Steering Committee the question has been raised as to whether there is a need for the Agency to exist, and one posture would be to dismantle the Agency and distribute the tasks to various City Departments. He indicated he has made it clear that he believes the Agency should exist and should go into particular areas.

- (c) President Bagot inquired when the amendment to the McCutchen, Doyle, Brown & Enersen legal contract will be before the Commission and David Madway, Agency General Counsel, indicated this item will be calendared when the Commission are ready to consider it. President Bagot said he would like this done as soon as possible.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Stanley Pauer, San Francisco Physically Disabled Quorum (PDQ), indicated that several members of the PDQ had found it necessary to leave the meeting, some because of environmental illness and others because their disabilities make them subject to fatigue.

Ellen Lieber, PDQ, introduced Steve Mayers. She noted that Mr. Mayers is a resident of the condominium project Museum Parc in Yerba Buena Center and, because he is deaf, he has concerns about communications for himself in emergency situations.

Mr. Mayers described his concerns with regard to the smoke and fire alarm systems and front door access.

Ms. Lieber indicated that a possible solution to Mr. Mayer's problem could be vibrators under the pillow that respond to sound. The whole communications system and front door access in the building are issues that need to be addressed.

Mr. Suttle indicated that it will be necessary to meet with all parties involved to discuss how to address the issues raised.

Minutes of a Regular Meeting, July 21, 1992

Ms. Lieber and Mr. Pauer indicated that a letter had been written to Mr. Helfeld, with copies to the Commission, the main point of which is that PDQ feels that many projects funded by the Agency should go beyond the requirements of the law in relation to access for people with disabilities and PDQ would be pleased to work with the Agency in this regard. Mr. Pauer indicated that the letter had neglected to mention the area of environmental illness or multiple chemical sensitivity which is recognized as a disability in the American Disabilities Act. This occurs when persons are overcome by the remnants of cleaning fluid or fragrances in a room and is the reason some PDQ members had to leave.

In response to an inquiry from Mr. Kitahata, Mr. Suttle indicated that Museum Parc is a private development located in Yerba Buena Center purchased from the Agency.

Mr. Kitahata suggested, given the fact that this is a private development, staff should find out what current regulations are in place. In addition, this is something that could be negotiated in Land Disposition Agreements and Owner Participation Agreements in the future.

President Bagot requested staff to follow-up on Mr. Kitahata's suggestions and report back in two weeks.

In response to an inquiry from Edward Evans, North of Market Planning Coalition and Advisor to the Senior and Disabled Concerns Committee, regarding holding an Agency meeting in the North of Market area, President Bagot indicated that this is not a redevelopment project area and Mr. Evans should direct this request to Erica Henri in the Mayor's Office.

Mr. Evans noted his concern regarding cleaning materials that affect persons with environmental illnesses. He further indicated that there are many organizations in the City that would be pleased to work with the Agency to make buildings in redevelopment project areas more accesible to seniors and disabled persons.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

southwest corner of Whitney Young Circle and Hudson Avenue in Hunters Point with Summit Partners; and

southwest corner of Newcomb and LaSalle Avenues in Hunters Point with Las Villas Partnership.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, July 17, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

Minutes of a Regular Meeting, July 21, 1992

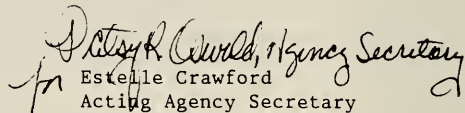
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 17, 1992.

This is is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is Site C-1 in Rincon Point-South Beach and the entity the Agency may negotiate with is Caltrans.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:40 p.m.

Respectfully submitted,


Estelle Crawford
Acting Agency Secretary

APPROVED

August 18, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JULY, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of July, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Sonia Bolanos
Gary Kitahata

and the following was absent:

Leroy King

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Charles Bennett, Environmental Science Associates; Samuel Kwong, Vice President, Asian-American Architects and Engineers; Raymond Colmenar, South of Market Problem Solving Council; John Elberling and Bill Sorro, Tenants and Owners Development Corporation; Rich Sorro, Mission Hiring Hall; Amelita Pascual, South of Market Foundation; and Henry Perez, Sixth Street Merchants and Residents Association.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Request for Proposals (RFP) has been distributed for the Salary and Classification Study. A pre-bid conference was held on July 20 and nine prospective bidders attended, including a number of Minority and Women-owned business firms. Proposals are due July 31, 1992. Staff will be executing a Letter Agreement in an amount of \$16,500 with the San Francisco Civil Service Commission to provide a staff resource regarding the City classifications salary comparability issue and fringe benefits during the course of the study. This Civil Service staff member will also attend regular meetings with the consultant and will review and comment on draft and final versions of the consultant's report.
- (b) The Olympia & York quit claim deeds for the Central Block 1 Office and Retail Parcels in Yerba Buena Center were recorded on July 28, 1992.

- (c) The Agency's 1992-1993 budget was not passed on July 20 because of issues raised by Supervisor Achtenberg who had been out-of-town. This resulted in a hearing on the budget by the Finance Committee of the Board of Supervisors at 1:00 p.m. on July 27. Later the same day, the full Board of Supervisors passed the budget by a vote of 8 to 1, with Supervisor Maher opposing. Approval of the budget was conditioned upon the Agency coming back before the Board before September 1 after State budget cuts are known. Also, Supervisor Hsieh requested a report on the South Beach Harbor before that time on design and alleged incorrect design of the boat slips, the possibility of Park and Recreation taking over the Harbor operations and when the Agency expects that the Harbor will be bringing in a profit rather than a loss. In rebuttal to Supervisor Maher, the Agency's budget was strongly supported by Supervisor Kennedy who indicated that it was not as if tax increment monies are being taken from the general fund for irresponsible purposes because they are used for housing and economic development. With regard to the Budget Analyst's report, \$400,000 for the South Bayshore was put on reserve because the community has not had an opportunity to comment which is positive because it permits a year to work with the community and find out if they want to go ahead with a program. The Budget Analyst agreed on the Central Block 2 East Garden funding, which Calvin Welch of Friends of the Gardens had wanted transferred to Central Block 3. The Center for the Arts at Yerba Buena Gardens agreed to a reduction because they are preparing a revised budget which will be submitted by the end of September.
- (d) The McCorquodale limit was sent to the City Planning Commission for their finding of conformity with the Master Plan. Sidney Unobsky, the Chairman of the Commission, is very reluctant to approve this and a lengthy meeting was held trying to deal with his concerns. It was explained that any action by the Planning Commission on a Redevelopment Plan or Plan Amendment revolves around the issue of conformity with the Master Plan. In addition, in this case there is no change in land use or controls and it is a fiscal issue. He suggested the matter be continued because he needs more background. Subsequent to that meeting staff became aware that since the Planning Commission did not approve the Plan Amendment within thirty days, it stands approved. It is suggested the Director of City Planning be advised that by failing to act within thirty days the City Planning Commission has waived its right to make a report and recommendation, however, the Agency is prepared to make a presentation for informational purposes at the July 30 Planning Commission meeting.

Following discussion, it was agreed that Ms. Bolanos contact Toby Levine of the Planning Commission and Mr. Helfeld contact Jim Lazarus and Kent Sims of the Mayor's Office to apprise them of the situation.

- (e) Ms. Bolanos reported on the OEDP Conference held on July 22 at which the 24th Street Revitalization Project was discussed.

There was a favorable response from the community who see the Agency as a mechanism to facilitate a number of programs they are interested in implementing to revitalize the 24th Street area. It was explained that the Agency is in a state of transition and in the process of preparing a Strategic Plan. In addition, financing mechanisms are limited because this is not a redevelopment project area. Overall, the conference was well attended by representatives of the Mayor's Office and others.

In response to an inquiry from President Bagot regarding the next steps, Ms. Bolanos indicated staff is in the process of scheduling a meeting with the 24th Street Revitalization Committee. A draft Request for Proposals has been sent to the community who have responded with some points they want to make.

- (f) A letter has been received from Supervisor Hallinan requesting assistance in acquiring a building at 17th and Castro Streets which will no longer be a bank due to the merger of the Bank of America and Security Pacific. He is interested in acquiring the building for use as an AIDS drop-in center.

President Bagot noted that a Security Pacific branch at Valencia and 22nd Streets is closing and suggested that uses for bank buildings that become available due to the merger be investigated, possibly for housing.

NEW BUSINESS

- (a) Thomas Conrad, Chief, Planning and Programming, introduced item (a), which requests authorization of a Fourth Amendment to the Agreement for Professional Services with Environmental Science Associates, Inc. (ESA) in connection with the preparation of a Subsequent Final Environmental Impact Report (EIR) for Yerba Buena Center. ESA has been providing environmental consulting services in connection with the EIR since 1988 and the contract has been subsequently amended on three occasions. The most recent amendment resulted in a total contract amount of \$329,000 when it was determined that a Subsequent EIR should be completed in order to comply with current California Environmental Quality Act Guidelines and applicable case law. However, major modifications were required to the document relative to changes to the Redevelopment Plan Amendment resulting in the proposed amendment to increase the amount payable by \$26,000 for a total contract amount of \$335,000. Funds are available in the Yerba Buena Center Project budget line item for environmental review to pay for these services. The Commissioners have been provided with details of the firm's affirmative action program, which staff finds acceptable.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-92 BE ADOPTED.

President Bagot noted his concern that ESA has not kept its 1988 commitment to have two African-American professionals on staff

and suggested they be requested to contact the Minority Engineers Association.

Samuel Kwong, Vice President, Asian-American Architects and Engineers (AAAE), indicated that there are a number of qualified people that are very interested in knowing how to get contracts with the Agency and through developers of redevelopment projects because there is a large amount of public money involved. He indicated AAAE would be pleased to submit the names of qualified persons, particularly when firms do not fulfill their affirmative action requirements. It appears ESA is asking for an increase in the amount of the original contract and if this is the case then something is wrong.

Gene Suttle, Senior Deputy Executive Director, indicated that the Agency is planning a meeting for September 2, in conjunction with the Human Rights Commission, to which AAAE and other minority firms will be invited. The purpose of the meeting is to familiarize minority engineers, architects and others about the opportunities of working with the Agency's for-profit and non-profit sponsors. He noted the presence of Charles Bennett of ESA.

In response to an inquiry from Mr. Kitahata, Mr. Conrad indicated that the Agency has one other small contract with ESA in the South of Market.

Following discussion, it was the consensus of the Commission that item (a) be approved, however, if any further increases in the amount of the contract are requested, ESA must have actively demonstrated an effort to recruit minority engineers.

- (b) Michele Davis, Housing Development Specialist, introduced item (b), which requests authorization of an extension of Exclusive Negotiations, until November 18, 1992, with Housing Conservation and Development Corporation (HCDC) for Site HH-1, the Hunters Point School Site, located on the southeast corner of Ingalls Street and Kiska Road in Hunters Point. Since approval of the last extension, the Developer has made substantial progress in meeting the conditions of the exclusives and is preparing a draft Land Disposition Agreement (LDA) for staff review. During the proposed extension period HCDC will prepare schematic designs, select a construction contractor, complete review of their environmental application and secure additional funding. The initial proposal was for an affordable housing development with commercial, however, it was subsequently determined that the commercial component would not be financially feasible. The Developer solicited community input in this regard and community members understand that a great deal of the need for commercial uses has been met by the leasing of Bayview Plaza and the opening of the Cala supermarket. In addition, it is anticipated that more commercial uses will be developed in the Hunters Point Shipyard. The project has been refined to consist of 39 first-time homebuyer units which it is anticipated will provide

ownership opportunities to families at 80 percent of median income.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-92 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), the purpose of which is for a report by Tenants and Owners Development Corporation (TODCO) on "An Alternative Future for the South of Market". In March 1991, the Agency entered into a Professional Services Contract with TODCO in an amount of \$50,000 to provide staffing for the Sixth Street Residents and Merchants Association and to perform several planning studies related to the South of Market Project Area. As drafted, the report does not identify costs of the recommendations which apply to a number of public and private sector entities and therefore TODCO is not seeking endorsement or adoption of the report by the Agency. The report contains recommendations for development, social services, housing and business activity in the South of Market and Yerba Buena Center Project Areas. TODCO has submitted a proposal to fund continued services for Fiscal Year 1992-1993 which will be considered at a future time.

John Elberling, TODCO made a presentation on the report and responded to questions from the Commissioners.

The following persons spoke in support of item (c): Rich Sorro, Mission Hiring Hall; Raymond Colmenar, South of Market Problem Solving Council; Amelita Pascual, South of Market Foundation; and Henry Perez, Sixth Street Merchants and Residents Association.

Samuel Kwong, Vice President, Asian-American Architects and Engineers, indicated it not clear from the document whether there has been dialogue with other agencies, such as the Mayor's Office of Housing, and he would not like to see this effort jeopardized by other agencies not knowing of certain actions.

Mr. Kitahata noted his concern that the scope of services in the TODCO contract were not addressed. He inquired if staff has been monitoring the contract and if reports have been received.

Mr. Elberling indicated there was a change when the Agency initiated the Plan Amendment, which had not necessarily been seen when the scope of services were drafted. The South of Market EIR process was also initiated and, because these are both big issues, it led to preparation of this broader document.

Ms. Bolanos indicated that this an advocacy paper which deliniates everything and is very well thought out, however, the role of other government agencies and how the Agency fits into the overall picture it not clear. As indicated by Mr. Kitahata there is a question as to whether the Agency should be paying for an advocacy paper when there is a contract in place for technical advice and on how the Agency can be effective in the neighborhood.

Mr. Helfeld indicated that this is not the final report in terms of the contract but it is important to put the Sixth Street corridor in the context of the larger South of Market area and it is helpful to have a big picture document. It is suggested the next step be to focus on the highest priorities of the Strategic Plan, with considerable community input, particularly in relation to what the Agency's capabilities are in the South of Market. The Commission and staff may not agree with all the recommendations in the report, particularly those that concern Agency funding, however, there are many recommendations that relate to other agencies. It is suggested staff analyze the report and work with TODCO and the neighborhood to determine what is reasonable.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos requested bi-monthly reports of the Affirmative Action Policy Committee on activities and progress with an indication of staff participating on the committee.
- (b) Ms. Bolanos inquired regarding a response on affirmative action from the law firm of McCutchen, Doyle, Brown & Enersen and Mr. Helfeld indicated that the response received was not satisfactory, however, a further communication is expected. Ms. Bolanos requested this response be made available to the Commissioners within two weeks.
- (c) Ms. Bolanos requested a report on what recruitment efforts have been taken with regard to the employment goals contained in the Agency's Internal Employee Opportunity Policy. She noted that a Hispanic will be retiring in two months and she would not like to lose this position because of the low representation of Hispanics on the Agency staff. Mr. Helfeld indicated that the Agency has set a priority goal to seek Hispanic professionals, however, none have been hired because of the hiring freeze. The affirmative action position that is opening up is important and a request will be made to the Mayor's Office to fill it, however, the request could be refused.

Ms. Bolanos requested information in writing, besides this particular position, regarding efforts it is planned to make in terms of recruitment of Hispanics if any position opens up in 1992/1993.

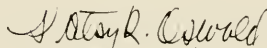
- (d) President Bagot indicated he is pleased the Agency has been designated as the lead Agency for the housing opportunities for people with AIDS. He suggested that, since this will require the preparation of a plan for San Francisco, San Mateo County and Marin County, perhaps approval could be obtained to for a fulltime employee and Mr. Helfeld indicated he did not think such a request would be advisable until the Agency's budget has been approved.

Minutes of a Regular Meeting, July 28, 1992

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 1, 1992

OCT 20 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF AUGUST, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:30 o'clock p.m. on the 11th day of August, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Haig G. Mardikian, Vice President
Leroy King
Gary Kitahata

and the following was absent:

Sonia Bolanos (Arrived 5:05 p.m.)

The President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director, and staff members were also present.

Also present were: Mike Mahoney and Jay Parashis, San Francisco Police Department; Ben Hom; Kent Sims, Mayor's Office; Vincent Marsh, Landmarks Preservation Advisory Board; Arnold Townsend; Bob Davis; Mrs. Mardikian; Marjorie Blair; Olsen Lee, Mayor's Office; Ann Ostrander, Mission Housing Development Corporation; Rudy Nothenberg, Chief Administrative Officer; Boris Dramov, ROMA Design Group; Emelio Cruz, Waterfront Transportation Project Office; Ula Walters; Yolanda Marrow, Berrios Construction Co., Inc; Raymond Lee and Harold Yee, Asian, Inc.; Paul Rabin, Creative Communications; Charlotte Boettcher, San Francisco Art Cars; Anne Cervantes, SHPE; David Healy, First Image; Jeff Roff, South of Market Problem Solving Council (SOMPSC) and Natoma Neighborhood Association; Roy Hopkins, Amelita Pascual, Sharon Birch, Tom McKnight and Janie Brady; South of Market Foundation; Raymond Colmenar, SOMPSC; Ron Duraz; Ralph Kazanjian; Bill Sorro, Tenant and Owners Development Corporation; Steve Sellers; Greg Roja; Anita Sanchez; Marty Serls; Ella D. Hoffman; Rosa Rivera, Ricardo Lua and Carolyn Goodson; 24th Street Merchants Association; and Virginia Conway.

Representing the press were: Gerald Adams, San Francisco Examiner; Ingfei Chen and Gavin Power, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the Regular Meeting of June 30, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Executive Director Edward Helfeld is on vacation and will be back in the office on August 17.
- (b) Robert Gamble Deputy Executive Director, Finance, indicated that the Agency's 1992-1993 budget was approved by the Board of Supervisors on July 27. However, due to the uncertainties created by the ongoing crisis over the State budget, the Mayor's Office has called for a reformatting of all departmental budgets. The reformatted budgets are due at the Mayor's Office on August 17 and analysis is expected to take one month. Following analysis, the budgets will be re-heard by the Finance Committee of the Board of Supervisors and thereafter by the full Board. Modifications proposed by the Mayor's Office will obviously be focused on during that process so this essentially is a second phase of the budget process for the current year. The Commissioners will be kept advised of developments.
- (c) On August 10, a Start of Construction celebration was held for the Tenderloin Family Housing project at 201 Turk Street, a Joint Venture of the Chinese Community Housing Corporation and the A.F. Evans Company, Inc. for 175 units of housing. Mayor Jordan and Commissioner King were in attendance.
- (d) On August 10, the Board of Supervisors passed on second reading the Ordinance amending the Rincon Point-South Beach Redevelopment Plan to expand the Project Area and the Amendment to the Western Addition Redevelopment Plan to increase the limitation on the amount of tax increment funds for use under the Plan from \$65.3 million to \$190.3 million and extended the time of the Plan from October 1994 to October 2000.
- (e) On August 11, the Administration and Oversight Committee of the Board of Supervisors confirmed the Mayor's appointments of Ben Hom, Cynthia Choy Ong and Clarence Stern to the Redevelopment Agency Commission. The nominations will go before the full Board of Supervisors in the near future, following by a swearing-in shortly thereafter.
- (f) The Strategic Plan Steering Committee meeting that was to be held on August 11 has been rescheduled to August 13 at 2:00 p.m.
- (g) On August 15, there will be a celebration for the start of construction of the Martin Luther King, Jr. Memorial on Mission between Third and Fourth Streets. The Memorial was designed by Houston Conwill, the noted Black artist from New York.
- (h) The Commissioners have been invited to a Ribbon Cutting Ceremony on August 18 for 18 family units constructed by Catholic Charities at 16th and Church Streets, now named the Padre Palou

Community. The leveraging of funds is one dollar for every five dollars of State and Federal funds.

- (i) The Commissioners have been provided with a letter dated August 4, 1992 from the law firm of McCutchen, Doyle, Brown & Enersen. An amendment to the contract will be before the Commission for consideration at the August 25 meeting.
- (j) On September 2 at 1:30 p.m., the Human Rights Commission and the Redevelopment Agency will hold a joint meeting to foster the selection of minority and woman-owned architectural and landscape architectural firms by City and Redevelopment Agency funded housing developers. It will be held at the Pacific Energy Center Facility, 851 Howard Street. Seating is limited and reservations should be made by August 24.

President Bagot indicated that item 5 (a), Unfinished Business, a First Amendment to the Contract with the South of Market Foundation, would be heard after item 6 (i), a presentation of the current design options for the Central Embarcadero Freeway.

NEW BUSINESS- CONSENT AGENDA

At the request of Vincent Marsh, Landmarks Preservation Advisory Board, item (b) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorization to advertise a contract for the demolition and site clearance of the building at the southeast corner of Seventh and Natoma Streets in the South of Market.
- (c) Authorizing a five year lease of Suite 212, 1426 Fillmore Street, at no cost to the Agency, to provide office space for business incubator and related businesses, as satisfaction of a condition of approval of parking variance for Western Commercial Partnership II; Western Addition A-2.
- (d) Authorizing staff to enter into negotiations with the California Historical Society regarding a Contingent Option Plan for the Jessie Hotel portion of Parcel 3707-A (East Block 1) located on the northeasterly corner of Third and Mission Streets; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (c) AND (d), RESOLUTION NUMBERS 159-92, 161-92 AND 162-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) William Nakamura, Chief Rehabilitation and Engineering, introduced item (b), which requests authorization to

conditionally award Demolition and Site Clearance Contract RP-2 to Cleveland Wrecking Company in an amount not to exceed \$29,200, on the basis of the lowest responsive bid received, in connection with Rincon Point-South Beach. This conditional approval authorizes the demolition of the Pier 42 Bulkhead Building. Demolition is scheduled to take place pending approval of the Corps of Engineers to demolish the structure and issuance of the demolition permit by the Port of San Francisco. However, if the Agency is prevented from proceeding with demolition, it has the flexibility to terminate the contract, in which case the contractor will be paid \$1,000 as full compensation for administrative expenses related to the contract as well as bond costs. The Agency is required by the San Francisco Bay Area Conservation and Development Commission (BCDC) to clear the Bulkhead Building from its present location within the public access area at the South Beach Harbor. Although the Agency has attempted for several years to secure a developer to relocate and rehabilitate the Bulkhead Building at a location within or outside of the Harbor/Pier 40 area, these efforts have been unsuccessful. Preservation of the building would cost approximately \$1 million and the Commission determined it was not appropriate to allocate funds because of serious budget shortfalls currently being experienced.

Vincent Marsh, representing the Landmarks Preservation Advisory Board, noted that approval has not yet been received from the Army Corps of Engineers and the Landmarks Board is interested in negotiations continuing with developers to relocate and rehabilitate the building.

Mr. King indicated that BCDC requires the Bulkhead Building to be moved from its present location and there is a need to take action on this matter.

Mr. Kitahata noted approval of this item is conditional and subject to necessary approvals, as stated in the resolution.

ADOPTION: IT WAS MOVED BY MR.KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-92 BE ADOPTED.

- (e) Richard Kono, Chief, Development and Real Estate, introduced item (e), which requests authorization of an Agreement to negotiate exclusively, until December 31, 1992, with The Gap, Inc. for the development of Site C-1 located in the block bounded by Steuart, Folsom and Spear Streets and the right of way of the recently removed Embarcadero Freeway in Rincon Point-South Beach. The Developer proposes to construct an office building as its headquarters, which is a permitted use under the Redevelopment Plan and is considered to be an appropriate use by staff. The building will have a height of 240 feet and contain approximately 440,000 square feet of gross floor area. The transaction involves two parcels, Parcel C-1 and Park Parcel C-2. Parcel C-2 is known as Rincon Park and is designated in the Redevelopment Plan for park purposes. Because it fronts on the C-1 development, discussions are being held regarding the Developer's

contribution towards acquisition, construction and maintenance of the park. In addition to park site development, the Developer would be required to pay development fees relating to childcare, housing, education and transit. Currently 76 percent of Site C-1 is owned by the California Department of Transportation (Caltrans) and the balance privately owned. Caltrans has indicated that it does not wish to participate in the development of Site C-1 and a price has been agreed upon with their District Office, which must be approved by the Sacramento Headquarters Office and by the California Transportation Commission. The entire Caltrans approval process normally takes 90 to 120 days after agreement on the price at the district level, however, staff intends to expedite this process. To determine the fair market value of the parcel, independent appraisers have been retained as well as consultants to determine the cost of toxic remediation. The owners of the privately owned portion of the parcel are no longer interested in participating in the development of Parcel C-1 and the Agency is preparing to acquire their parcels. It is anticipated the project will result in the creation of jobs during construction as well as increased property taxes for the City. A significant number of the Developer's current employees are expected to ultimately occupy the new building from space currently occupied within and outside the City.

Kent Sims of the Mayor's Office noted that this item has the Mayor's strong endorsement.

Ms. Bolanos arrived at this time, 5:05 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-92 BE ADOPTED.

- (f) Mr. Suttle introduced item (f), which Commends and Expresses appreciation to Haig G. Mardikian for his outstanding eleven years of service as a Commissioner of the Redevelopment Agency of the City and County of San Francisco.

President Bagot read the resolution into the record.

The following persons commended Mr. Mardikian for his services: Arnold Townsend; Bob Davis; and Ben Hom.

The Commissioners expressed appreciation to Mr. Mardikian for his outstanding service to the Agency and wished him success for the future.

Mr. Suttle introduced Mrs. Mardikian and Marjorie Blair, Mr. Mardikian's Administrative Assistant.

Mr. Mardikian thanked the speakers and the Commissioners for their tributes and expressed appreciation to staff for their competent and dedicated assistance during his tenure as a Commissioner.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-92 BE ADOPTED.

President Bagot introduced Cynthia Choy Ong who has been nominated by the Mayor for appointment to the Agency Commission.

- (g) Philip Williams, Housing Development Specialist, introduced item (g), which requests authorization to expend an amount not to exceed \$2,550,000 for the acquisition of property located at 980 Howard Street (The Goodwill Building) in the South of Market. For the past two years staff has been working with the South of Market community in identifying potential housing sites for replacement of low-income units destroyed in the October 1989 earthquake. Recent negotiations resulted in Goodwill Industries agreeing to a purchase price of \$2,550,000 for this property. Prior to close of escrow, Goodwill will demolish and remove the existing improvements and remove an existing underground diesel storage tank. The Agency has an 80 day due diligence period to conduct environmental assessment, geotechnical and architectural studies. Goodwill has agreed to provide a credit to the purchase price, in an amount not to exceed \$150,000, should environmental studies indicate that implementation of a toxic remediation plan is necessary. If costs for a toxic remediation plan exceed \$150,000, the Agency or Goodwill will have the option to terminate the purchase contract. Preliminary design studies indicate that the site has the potential to develop 100-110 SRO's and 20-25 family rental units and, following acquisition, proposals will be sought from prospective non-profit housing developers.

In response to an inquiry from Mr. Kitahata, Mr. Williams indicated that funding will be from the 1991-1992 budget and so is not dependent upon approval of this year's budget.

Michael Kaplan indicated that Goodwill plans to open up a business at another location in the South of Market which will provide employment for many residents.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-92 BE ADOPTED.

- (h) Olsen Lee, Mayor's Office, introduced item (h), which requests authorization of an amendment to the Loan Agreement in an amount of a \$1,644,148 and an amendment to the Predevelopment Loan Agreement in the amount of \$103,000, which includes authorization to conditionally increase the loan amount by \$1 million, with Mission Housing Development Corporation (MHDC) for the development of 464-480 Valencia Street as part of the Citywide Tax Increment Housing Program (TIHP). These amendments extend default dates, assigns loans from the developer to a limited partnership and changes the site definition to reflect a lot split. The amendment to the site acquisition loan will defer repayment of principal originally to begin 16 years from execution of the loan to the end of the loan term. Subsequent to funding of \$1,644,148 during the initial round of the Citywide

Tax Increment Housing Program to acquire a portion of 464-480 Valencia Street, MHDC has secured a funding commitment of \$4,337,274 from the California Rental Housing Construction Program (RCHP) and received a preliminary reservation of tax credits worth approximately \$4,974,397 in limited partner equity. The repayment date of a predevelopment loan of \$103,000 from the Agency has been previously extended until the closing of the RCHP loan. The limited equity partner has agreed to begin construction in August 1992 without State funding if the Agency agrees to provide \$1 million in interim financing if the State's loan closing is delayed. Although it is estimated the loan should close by the end of August, there could be a delay due to cutbacks in State personnel and a large backlog of loans needing to close this year. If the State loan closes within eight months the Agency's \$1 million would not have to be disbursed because MHDC has sufficient construction funding for that period. Although it is not anticipated the State loan will be delayed for that length of time, provision of the \$1 million will permit construction to commence in August 1992, which is necessary to meet the Tax Credit Program construction completion and occupancy requirement of December 31, 1993. The TIHP Loan Committee has approved the amendments for preconstruction and site acquisition expenses related to the development of 58 units of family rental housing which will be affordable to households earning less than 60 percent of median income. Upon repayment of the predevelopment loan, Agency funds remaining in the project would be the \$1,644,148 site acquisition loan at \$28,347 per unit.

In response to an inquiry from Mr. Kitahata, Mr. Lee indicated that in the worst case scenario the \$1 million would come from the Citywide Housing Program but he did not believe this would occur.

Ann Ostrander, MHDC, requested approval of item (h).

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-92 BE ADOPTED.

- (i) Mr. Suttle introduced item (i), for purpose of this which is for a presentation of the Current Design Options for the Central Embarcadero Project - Freeway Replacement/Plaza. In 1991, the Department of City Planning, working in conjunction with the Mayor's Office, began an Urban Design and Transportation Study of the Central Embarcadero, the purpose of which was to: recommend a replacement facility for the demolished Embarcadero Freeway that would provide a comparable traffic function; create a major civic open space that would also function as a public transportation hub in front of the Ferry Building; and reconnect the City with the waterfront. A Citizens Advisory Committee to provide public input into the design process as well as a Policy Steering Committee comprised of Department Heads from all affected City departments were created. In December 1991, City Planning contracted with the ROMA design Group to assist in refining the transportation and urban design alternatives and an environmental

consultant has been selected. A preliminary recommendation on a preferred alternative is anticipated in March 1993, followed by review and action by the appropriate Commissions and the Board of Supervisors. The Agency has been involved in the process since it was initiated and will be required to approve any aspects of the roadway and public plaza projects which are within the current or potentially expanded boundaries of the Golden Gateway Redevelopment Project. The presentation will be made by the Chief Administrator Officer (CAO) and other. The CAO's Office has overall responsibility for the project, under the Waterfront Transportation Project Office.

Presentations were made by: Rudy Nothenberg, Chief Administrative Officer; Boris Dramov, ROMA Design Group; and Emelio Cruz, Waterfront Transportation Project Office.

Ula Walters requested the Villancourt Fountain and Justin Herman Plaza not be destroyed. She noted that the Justin Herman Plaza is a large area and consideration should be given to beautifying it with greenery.

Mr. Nothenberg indicated that open space will be landscaped and this will happen in a few years.

In response to an inquiry from Mr. Kitahata regarding the Agency's role, Thomas Conrad, Chief, Planning and Programming, indicated that staff has offered assistance and is currently in dialogue with other City Departments.

UNFINISHED BUSINESS

- (a) Lucia Mele, Economic Development Specialist, introduced item (a), which requests authorization of a First Amendment to the contract with the South of Market Foundation in an amount of \$150,000 for the period August 1, 1992 to July 31, 1993 to provide business development assistance in the South of Market. In compliance with the Community Block Grant (CDBG) regulations, the Agency issued a Request for Proposals for all economic development contracts and on July 21, contracts with a number of service providers were approved for a one year period. However, consideration of the South of Market contract was delayed at the request of Asian, Inc. in order for its proposal to be considered by the South of Market Problem Solving Council (SOMPSC), in its capacity as the Agency's designated Citizens Advisory Committee. The SOMPSC had previously submitted a letter of support for the SOM Foundation but agreed to receive Asian, Inc.'s presentation of its proposal at its regular meeting on July 24, following which the SOMPSC recommends continuing the contract with the SOM Foundation. Also, in a letter to Asian, Inc. Raymond Colmenar, Coordinator, on behalf of SOMPSC, respectfully requested that Asian, Inc. withdraw its proposal and to support what the South of Market community has chosen to do. Although both responses indicate capable organizations, staff also recommends continuing the contract with the SOM Foundation because its local presence and overwhelming community support allows it to leverage other

activities. In addition, during the two months that the SOM Foundation has had the contract, the organization has met or exceeded projected goals and remained within budget. Also, its affiliation with the South of Market Business Association provides a distinct advantage to market the project area to relocating and expanding businesses.

The following spoke in support of awarding the contract to Asian, Inc.: Yolanda Marrow, Berrios Construction Co., Inc.; Raymond, Lee, Asian Inc.; Paul Rabin, Creative Communications; Carlotta Boettcher, San Francisco Art Cars; Anne Cervantes, SHPE; David Healy, First Image; and Harold Yee, Asian, Inc.

Mr. Yee noted his concern regarding the RFP process because staff recommendation is based on relationships in the South of Market.

The following spoke in support of awarding the contract to the South of Market Foundation: Jeff Roth, SOMPSC and Natoma Neighborhood Association; Roy Hopkins, Amelita Pascual, Sharon Birch and Tom McKnight, SOM Foundation; Raymond Colmenar, SOMPSC; Ron Duraz; Ralph Kazanjian; Bill Sorro, Tenants and Owners Development Corporation; Harold Pyle; Steve Sellers; Greg Roja; Anita Sanchez; Marty Serls; and Ella D. Hoffman.

Ms. Pascual introduced Janie Brady of the SOM Foundation.

Mr. Mardikian noted that the presentations and materials received through the RFP process indicate that the two applicants have proven they have strong qualifications, however, the SOM Foundation has very strong community support. Asian, Inc. has a twenty-one year record and is clearly competent and capable of meeting the RFP requirements. He suggested that because the RFP process has been questioned that a decision be postponed to give staff time to address the allegation of unresponsiveness.

Following an extensive discussion between the Commissioners and staff regarding the RFP process, the Commissioners indicated that there were insufficient reasons to warrant a delay of the process, which was open to all bidders.

President Bagot requested the SOM Foundation make a progress report to the Commission in three months. He noted his support for light industry which would generate more jobs and perhaps in the future an additional contract could be considered with another organization.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-92 BE ADOPTED.

Mr. Mardikian left the meeting at this time, 7:35 p.m.

President Bagot announced that there would be a brief recess. The meeting recessed at 7:35 p.m., and reconvened at 7:45 p.m. with the same roll call, except for Mr. Mardikian.

- (j) Lucia Mele, Economic Development Specialist, introduced item (j), which requests authorization of \$240,000 for the 24th Street Small Business Loan Program. The 24th Street Revitalization Committee (Committee) is a coalition of community organizations and merchants that has worked for several years towards restoring 24th Street in the Mission to its former stature as a retail destination and one of its highest priorities is to preserve San Francisco's Latin American community. Subsequent to a request by the Committee for \$2.175 million for the purpose of preserving and promoting the cultural character of the 24th Street corridor, a request to the Board of Supervisors to amend the Agency's 1991-1992 budget to add \$1 million and increase the Agency's Tax Allocation of \$100,000 in order to fund the 24th Street Revitalization and Economic Development Program, was approved. The Commission directed staff to return with a specific program to be implemented with the \$1 million which resulted in staff recommendation to allocate: \$720,000 for site acquisition; \$240,000 for small business/working capital loans; and \$40,000 for public space improvements. The \$1 million in tax increment bond proceeds thereby issued would then be exchanged for \$1 million in Community Development Block Grant (CDBG) funds in order to use the funds on non-housing development costs outside of an existing Redevelopment Project Area. Originally approved to be administered as an appendage to the City's Working Capital Loan Fund for the San Francisco Enterprise Zone, the small business loan program is now being recommended to be a direct loan program to be administered by the Agency, provided that procedures are in place to ensure that all necessary requirements of CDBG funding are met. The purpose of the Small Business Loan Fund is to establish a revolving loan fund to assist businesses and assistance would be primarily targeted to retail businesses reliant on 24th Street pedestrian traffic. In addition to being the sole source for all loan packages under the program, Mission Economic Development Association (MEDA) will screen preliminary applications and receive a 1 percent, or minimum \$100 fee, for all approved loans. The Agency will originate and administer all loans. It should be noted that the revised resolution before the Commission indicates that approval of this item is subject to approval of the program by the U.S. Department of Housing and Urban Development (HUD) and the Executive Director is authorized to modify the program to conform to HUD requirements which do materially alter the program.

Chris Haw, Mayor's Office of Community Development, requested action be postponed for three weeks to permit review of the program loan description and to coordinate with other loan programs. HUD is giving close scrutiny to economic development programs and their approval is necessary before funds are disbursed.

Ms. Bolanos noted her concern at the requested postponement and indicated the community should have been informed because they had been told they could come for the loan on August 12 by Executive Director Edward Helfeld.

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The following persons spoke in support of item (j): Rosa Rivera, Ricardo Lua, and Carolyn Goodson, 24th Street Merchants Association.

The speakers noted the need to expedite this matter to assist the neighborhood and their opposition to involvement with the Enterprise Zone. They noted their concern regarding the lengthy process and indicated they would not be willing to attend any further meetings if this item is not approved.

Following an extensive discussion between the Commissioners, Ms. Haw and staff, President Bagot indicated that Mr. Helfeld will be asked to clarify the misunderstanding that has occurred regarding when the loan funds can be disbursed.

Ms. Bolanos requested that staff provide a status report in three weeks.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-92, AS AMENDED, BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

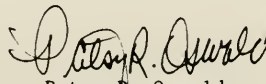
- (a) Virginia Conway requested funding for Channel 32 in order to have the programs listed in the Television Guide. She noted that the Cala supermarket at California and Hyde Streets causes traffic disruption and the area needs clean-up. She suggested staff investigate because the Cala supermarket on Sutter Street could encounter similar problems.

President Bagot indicated that staff would investigate and report back.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 15, 1992

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF AUGUST, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 p.m. on the 18th day of August, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following was absent:

Haig G. Mardikian, Vice President

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Redevelopment Agency Commission designates Ben Hom, Cynthia Choy Ong and Clarence Stern; Ray Liberato; John Elberling, GP/TODCO; Ann Ostrander and Armand Vasquaz, Mission Housing Development Corporation; Leslie Miko, Acting Executive Director, David Dial, Director of Operations, Angela Gittens, Operating Board Treasurer, and Bill Osterhaus, Board member and former Vice President, Center for the Arts at Yerba Buena Gardens; Marco Calgaro; Dante Nassi; and Mike Mahoney, San Francisco Police Department.

Representing the press was: Gerald Adams, San Francisco Examiner.

President Bagot introduced Agency Commission designates Ben L. Hom and Clarence R. Stern.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meetings of July 14 and 21, 1992 and the minutes of the Special Meeting of July 14, 1992 and the minutes of the Closed Sessions of June 30, July 7, 14 and 21, 1992, as distributed by mail to the Commissioners, be approved.

President Bagot referred to the July 21 minutes and reminded staff that Mr. Kitahata had requested information regarding compliance with the American Disabilities Act in redevelopment projects and current regulations in place for disabled persons at Museum Parc in Yerba Buena Center.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On August 19, 1980, Commissioner King was sworn in as a Redevelopment Agency Commissioner by Mayor Feinstein, which means he has been a Commissioner for twelve years.
- (b) On August 15, there was a celebration for the start of construction of the Martin Luther King, Jr. Memorial in Yerba Buena Gardens on Mission Street between Third and Fourth Streets. Mayor Jordan and former Mayor Art Agnos were among the speakers. Gary Kitahata was also in attendance.
- (c) On August 18, there was a ribbon cutting ceremony for the Padre Palou Community family units constructed by Catholic Charities at 16th and Church Streets. The Agency was able to leverage its funds and for every \$1 the Agency was able to get \$5 in State and Federal funds.
- (d) On September 2 at 1:30 p.m., the Human Rights Commission and the Redevelopment Agency will hold a joint meeting to foster the selection of minority and woman-owned architectural and landscape architectural firms by City and Redevelopment Agency-funded housing developers. It will be held at Pacific Energy Center Facility, 851 Howard Street.
- (e) The Strategic Plan Steering Committee has made a recommendation of a contract with Capital Partnership, Inc. joint venturing with Aileen Hernandez and Nelson Nygaard, which will be before the Commission for approval at the August 25 meeting. They will be assisting the Steering Committee with the strategic planning process for the Agency.
- (f) Groundbreaking ceremonies for Fillmore Marketplace are scheduled for September 15 at 10:00 a.m.
- (g) The Mayor has appointed an eleven member Mission Bay Citizens Advisory Committee who will oversee such issues as the financing of 2,200 affordable housing units in the project, selection of affordable housing developers and disposition of the seventeen housing sites the developer, Catellus Development Corporation, will deed to the City. Among other names, representing the City will be Agency staff member William Rumpf along with Olsen Lee, Joe LaTorre and Ted Dienstfrey of the Mayor's Office.
- (h) The Commission has been provided with the offering brochure on the entertainment/retail portion of Central Block 2 in Yerba Buena Center. Qualifications are due on September 25, 1992.

REPORT OF THE PRESIDENT

- (a) President Bagot noted that a thank you note had been received from Mr. Mardikian for the clock which had been presented to him upon his departure from the Agency Commission.
- (b) In response to an inquiry from President Bagot, Mr. Helfeld indicated that a response to a letter from Rose Pak regarding the Chinatown Economic Development Program is being prepared and will be provided to the Commissioners.

NEW BUSINESS

- (a) William Nakamura, Chief, Engineering and Rehabilitation, introduced item (a), which Commends and Expresses appreciation to Rafael B. Liberato for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco. Mr. Liberato has served the Agency for 21 years, most recently as a Civil Engineer and in this capacity played a major role in the completion of the India Basin, Mariners Village, and South Beach Harbor Projects. This opportunity is taken to commend Mr. Liberato for his dedication and commitment to the Agency's goals and wish him success in his future endeavors.

President Bagot, on behalf of the Commission, expressed appreciation to Mr. Liberato for his service to the Agency and wished him success in his future endeavors.

Mr. Liberato indicated that he is pleased to have had the opportunity to serve the Agency for so many years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-92 BE ADOPTED.

- (b) Jack Robertson, Housing Development Specialist, introduced item (b), which requests authorization of a Third Amendatory Agreement, which revises the Schedule of Performance, to the Agreement for Disposition of Land (LDA) with GP/TODCO for the development of the parcel located on the southeast corner of Sixth and Tehama Streets in the South of Market. The LDA was approved in July 1991 for the development of 140 affordable single room-occupancy units. A Second Amendatory Agreement, approved in March 1992, called for conveyance of the site by September 30, 1992. However, the developer is applying to the September 4 round of low-income housing tax allocations and will need to demonstrate site control beyond September 30 to satisfy the California Tax Allocation Committee. The developer will not be informed until at least October 1992 whether tax credits have been allocated. The revised performance schedule calls for submission of evidence of financing and conveyance of the site by December 31, 1992 with the understanding that early conveyance may be necessary, subject to the requirements of the California Tax Allocation Committee if the developer is awarded a tax credit reservation.

At President Bagot's request John Elberling, GP/TODCO, gave an overview of the project and described the current status of its financing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-92 BE ADOPTED.

- (c) Jack Robertson, Housing Development Specialist, introduced item (c), which requests authorization of a Predevelopment Loan in an amount not to exceed \$75,000 to Mission Housing and Development Corporation (MHDC) for the development of 1290-1294 Potrero Avenue as part of the Citywide Tax Increment Housing Program (TIHP). MHDC and the Good Samaritan Resource Center have formed a joint venture and have executed an option agreement with the owner for a 75 year lease of the property. It is proposed to develop twenty units of affordable housing, a family resource center and childcare center. MHDC will develop the housing portion independently of the remainder of the development which will be developed and operated by Good Samaritan who will be responsible for obtaining its own financing. The TIHP Loan Committee has approved the \$75,000 loan to pay for related project predevelopment expenses and funds are available from the 1990-1991 budget. The loan will bear a 6 percent interest rate and be repayable upon closing of the developer's construction loan. The Agency previously approved a funding commitment of \$668,751 contingent upon all financing needed to complete the housing component being obtained. Subsequent to this approval, MHDC has successfully obtained a funding commitment of \$1,551,608 from the State's Rental Housing Construction Program (RCHP) and plans to apply for low-income housing tax credits during the first round of 1993. In addition, a construction loan commitment of \$1.9 million has been secured from Wells Fargo bank.

Ann Ostrander, MHDC, responded to questions from President Bagot regarding shared costs with Good Samaritan for the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-92 BE ADOPTED.

- (d) Jack Robertson, Housing Development Specialist, introduced item (d), which requests approval of the selection of the team of Bear Stearns and Charles A. Bell Securities as underwriters for the sale of mortgage revenue bonds to permit the refinancing of the Glenridge project in Diamond Heights. The Glenridge project was developed approximately twenty years ago using mortgage revenue bonds and Section 8 subsidies. Those Federal subsidies are now expiring and this transaction is necessary to permit the Glenridge tenants to buy the project from its private owner, thereby assuring continued affordability. The basis for the recommendation of Bear Stearns is their extensive general experience in housing bond transactions, specifically in transactions similar to the Glenridge project, as well as their marketing and distribution capacity. The firm's affirmative action program is considered acceptable. Charles A. Bell, a San Francisco-based minority firm is proposed as the

co-underwriter. Representatives of the Glenridge Tenants Association participated in underwriter selection process and concur in the recommendation of Bear Stearns.

At President Bagot's request, Mr. Robertson gave an overview of the project.

President Bagot requested the Mayor's Office be urged to push the City lobbyist in Washington, D.C. for a change in regulations to allow tenants to increase the loan amortization from twenty to forty years which will assist projects of this type.

Mr. Helfeld indicated that the Commission's position will be made known to the the Mayor's Office and the request made.

In response to an inquiry from President Bagot regarding the role of Charles Bell, Mr. Robertson indicated that it will be structured around the sale of the bonds and both firms will be doing the sales part equally.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-92 BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (e), which requests authorization of a reduction of \$496,000 from the Center for the Arts (Center) 1991-1992 budget and authorization of an increase in the Sumitomo construction contract by \$280,000 and authorization of the use of \$216,000 for developing and implementing a Furnishings, Fixtures and Equipment (FF & E) Program for the Theatre and Visual Arts Buildings in Yerba Buena Center.
- (f) Helen Sause, Project Director, Yerba Buena Center, introduced item (f), which requests authorization of an expenditure up to \$2.5 million for the purchase of Furnishings, Fixtures and Equipment for the Theatre and Visual Arts Buildings in Yerba Buena Center.

A Management Audit by Beene and Associates strongly recommended that the buildings be furnished, equipped and ready to operate when they are turned over to the Center and, based upon audit findings, staff recommends designating these savings to the FF & E program for the Center. To accomplish this requires a budget of \$4 million and it is proposed to utilize the \$496,000 from the Center's budget realized by program delays. \$280,000 of that amount would be used to increase the Sumitomo construction contract through the change order process for purchase and installation of a theatre audio and audio visual system; \$98,700 would be used for design and specifications for the FF & E package for the buildings; and \$117,300 for purchase of the modular seating riser system for the Visual Arts Forum. Other funding sources identified are \$2.5 million from the cultural buildings' budget included in Agency's 1992-1993 budget for certain FF & E and the remaining \$1 million needed would be

derived from the remaining savings in the building's budget. Further Commission action will be necessary when the 1993-1994 budget is formulated to provide the remaining \$1 million needed to completely equip the buildings for the October 1993 opening.

At President Bagot's request, Ms. Sause gave a brief history of the Center for the Arts. She noted the items to be funded that are considered essential to make the buildings operable when they open have been highlighted in an informational memorandum provided to the Commission.

Ms. Sause introduced Leslie Miko, Acting Executive Director, Center for the Arts.

Ms. Miko introduced David Dial, Director of Operations, Angela Gittens, Treasurer of the Center's Operating Board, and William Osterhaus, Board Member and former Vice President.

In response to a request from President Bagot, Ms. Miko explained the purpose of the FF & E items in detail and noted their importance in terms of timing and opening of the buildings. She noted the Management Audit made it clear that the fund raising expectations of the Center were potentially unrealistic given the current situation. The fund raising is being carefully evaluated and it is hoped to return to the Commission and the Board of Supervisors with a new plan by the end of September. The audit also made a strong recommendation that the Agency outfit the buildings and have them completed for the Center to begin programming when it opens.

Agency Commissioner designate Cynthia Choy Ong noted her concern regarding the lack of information regarding the \$4 million expenditure because she could not see procedures or guidelines about how it would be spent. She referred to discussions on affirmative action at a previous Agency meeting and indicated that there are local residents who should be given an opportunity to be involved.

Ms. Bolanos noted that she has been very involved in the process and it is important the new Commissioners be provided with a copy of the Management Audit prepared by Beene & Associates. A workshop was held on June 4 and the Center set up a response to the Beene report and specific plans on how they would address it. This is an organization that was established by the Agency and it is important the new Commissioners understand its relationship with the Center. One of the issues raised at the workshop was the status of fund raising and it is the Commission's concern to make sure the Operating Board will have the resources available for a successful operation. She requested a report from the Center in three weeks time on the status of proposed actions relating to: goal modification, minimum funding needed to open the Center and increment to expand programming activities.

Ms. Sause noted that the Center is an outgrowth of a twelve year planning process where the Commission allowed staff to go out and invite the cultural community to identify what was wanted as an art piece for Yerba Buena Center. Two hundred people were involved in the process of formulating a plan for the facilities which are now being built. In 1986 an Operating Board was formed with whom the Agency negotiated an agreement on how the Center would be operated, which included affirmative action objectives and multicultural priorities. The Board members were selected by the Commission and progress reports made when each decision point was reached. Funding has been from Yerba Buena Center resources and ongoing funding for the Center will be a combination of lease revenues from the Marriott Hotel and funds the Center raises for its specific programming purposes.

President Bagot referred to staff informational memorandum dated June 4, 1992 and noted his concern that this action could have taken place without a Commission vote if not questioned by a Commissioner. He indicated his support of the resolutions before the Commission, however, there should be an opportunity for public comment when money in Yerba Buena Center is being expended because it has a number of different possible uses.

Mr. Helfeld indicated that the purpose of the memorandum was to bring the matter to the Commissioners' attention to see if there was a problem with the transfer of funds and, once instructed differently, staff placed the matter on the agenda.

Ms. Bolanos noted that the memorandum relates to a pre-approved budget, already been approved by the Commission. After approval of the budget staff informed the Commission that the savings of \$496,000 had been found and proposed the funds be used for specific purposes, which is the matter now before the Commission. This is different from saying staff made these changes without authorization because by approving the budget, the Commission approved this expenditure.

Following an extensive discussion between the Commissioners and staff, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT THE ITEMS BE APPROVED, SUBJECT TO NO EXPENDITURES BEING MADE UNTIL THE COMMISSION HAS HAD AN OPPORTUNITY TO REVIEW AND APPROVE A REPORT FROM STAFF REGARDING THE CONTROL ASPECTS ABOUT HOW THE FUNDS WILL BE SPENT AND THE AFFIRMATIVE ACTION ASPECTS.

Mr. Helfeld indicated that staff will return to the Commission with a full review and outline of procedures for approval before any funds are expended.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 172-92, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 173-92, AS AMENDED, BE ADOPTED.

- (g) William Carney, Senior Staff Architect, introduced item (g), which requests authorization of advertising the bidding of a contract for the construction of the East Garden and related expenses in an amount not to exceed \$25,000 in connection with Yerba Buena Center. The East Garden completes the Yerba Buena Gardens public improvements on Central Block 2 (CB-2). Its construction was delayed in order to provide a construction staging area for the much larger Center for the Arts projects which surround it on three sides. Now that the early heavy construction of these buildings is well advanced, bidding and construction of the East Garden will allow completion of all four Agency CB-2 projects in mid-1993. It will also allow the Agency to benefit from the current favorable bidding climate. The bidding process is expected to take approximately two months and the \$25,000 will cover the costs of printing, advertising postage, city permits and other related expenses. The estimated construction cost of approximately \$1.8 million is included in the Agency's 1992-1993 budget and, following analysis of bids, separate authorization for the actual construction contract will be calendared for Commission consideration. Proceeding with the construction of the East Garden at this time will also minimize disruption to the Moscone Center Expansion convention operations by consolidating all building activity on the new Moscone roof into a single construction period.

In response to an inquiry from Mr. Kitahata, Mr. Carney indicated that it is anticipated between \$5,000 and \$10,000 will be reimbursed from the \$100 per plan being charged to the contractors. The cost is variable because it is not known how many addenda will be added during the course of bidding in response to questions raised, which could raise the cost. He noted the amount charged per packet is proportionate to the size of the project and the amount of what the market can bear in terms of contractors being willing to pay is also taken into consideration.

Mr. Carney responded to questions from Mr. Kitahata regarding the origins of granite and stones it is planned to use for the East Garden project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-92 BE ADOPTED.

- (h) Robert Firehock, Deputy General Counsel, introduced item (h), which requests approval of the issuance of Multifamily Housing Refunding Revenue Bonds in an amount not to exceed \$46,405,000 in connection with refinancing of the South Beach Marina Apartments (SBMA) in Rincon Point-South Beach. In May 1991, the Agency initiated the first of three interim financings to permit the owners of SBMA to attempt to refinance the project to cure a default. Although the owners have been working diligently with

the U.S. Department of Housing and Urban Development (HUD), their investors and Agency bond counsel, they are not able to close the final financing by the August 27, deadline. In order to protect the Agency's interests in the project, including the 20 percent of the units which are affordable at low and moderate income levels, it is proposed to grant a final extension to not later than February 5, 1992 to permit an opportunity to close the permanent financing.

The following persons spoke in opposition to item (h): Marco Calgaro and Dante Nassi.

Mr. Calgaro noted that there had been discussions and correspondence exchanges with staff.

Mr. Firehock indicated that staff had met with the speakers to hear their issues which relate to commercial space leased at the SBMA for a food operation which was not successful. This is a landlord/tenant dispute and should not have an impact on a decision to refund the mortgage revenue bonds in an attempt to preserve affordable housing.

Mr. Nassi indicated that he believed the Agency should be concerned with the economic growth of the area as well as housing.

Mr. Kitahata noted his support of this item, but requested approval be subject to the Commissioners being provided with additional information regarding concerns expressed by the speakers.

Ms. Bolanos noted her strong interest in small businesses and requested she be informed of disputes in redevelopment projects.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata inquired regarding the status of a pilot youth employment program approved at a Special Meeting of July 14, 1992 with the Economic and Social Policy Committee of the Board of Supervisors to consider recommendations of the African-American Economic Empowerment Task Force.

Mr Helfeld indicated that he did not believe there had been any actions taken yet, however, Agency staff is not preparing the program. He noted that the Mayor's Office has split the initial African-American Economic Empowerment Task Force into two Task Forces, one for the Western Addition and the other for Hunters Point. The Western Addition Task Force voted against the pilot youth employment program and have been advised that this should be communicated to Supervisor Kennedy's Committee. He noted that the Mayor's Office plans to establish two separate bank accounts for the two communities.

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President Bagot noted his concern that monies committed three years ago for economic development purposes remain unexpended.

Mr. Kitahata indicated that if the pilot youth employment program does not go forward then the \$1 million approved for that purpose will need to be re-allocated and the Commissioners should be kept informed of developments.

- (b) Ms. Bolanos indicated that there is a commitment to the 24th Street community to move forward and requested staff provide a status report.
- (c) Ms. Bolanos requested the Commissioners be provided with a copy of a letter from Mission Housing on a proposal for a housing program on 24th Street and that staff analyze the proposal and report back to the Commission.
- (d) President Bagot and Ms. Bolanos inquired regarding African-American Economic Empowerment Task Force minutes, and Mr. King indicated that the Task Forces are now under the jurisdiction of the Mayor's Office.

President Bagot indicated that in any event he would like to be kept advised of the activities of the Task Forces and provided with copies of the minutes of the meetings.

- (e) In response to an inquiry from President Bagot, Mr. Helfeld indicated that representatives of the law firm of McCutchen, Doyle, Brown & Enersen will appear at the August 25 meeting to respond to questions regarding their affirmative action program.
- (f) Mr. Kitahata requested that all correspondence on the strategic planning process be copied to all Commissioners, not just Steering Committee members. In addition he requested a summary every time there is a meeting explaining the proceedings during the past two weeks. He noted that the Steering Committee has made a decision on a consultant.

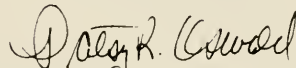
President Bagot announced that there was to be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P. However, this Closed Session was not held.

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ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:35 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED

September 29, 1992

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF AUGUST, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:25 p.m. on the 25th day of August, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia S. Bolanos
Ben L. Hom
Leroy King
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Gary Kitahata (Arrived 5:05 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Stephen Zovikian and Ray Marshall, McCutchen, Doyle, Brown & Enersen; David Mischel; Eddie Stiel and Ana Shul, San Francisco Coalition for Low Income Housing; Phaedra G. Bell, President, Golden Gate Vista Residents Association; Elsa Zavaleta; Arnold Johnson and Rosa E. Lima, Vista Del Monte; Ron Mays; Joel Lipski, Mayor's Office; Virginia Conway; Glenda Hope, San Francisco Network Ministries; Aileen Hernandez, Aileen Hernandez Associates; David Schwartz, Capital Partnership, Inc.; Mike Mahoney and Jay Parashis, San Francisco Police Department.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS

(a) ELECTION OF VICE PRESIDENT

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT MR. HOM BE ELECTED VICE PRESIDENT.

President Bagot indicated that due to time constraints of representatives of McCutchen, Doyle, Brown & Enersen, item (f) would now be taken-up.

(f) David Madway, Agency General Counsel, introduced item (f), the purpose of which is for a discussion on Affirmative Action with McCutchen, Doyle, Brown & Enersen. The firm has represented the Agency for the past thirteen years, principally in large case

litigation and in connection with problems with hazardous substances on properties that the Agency has acquired and is offering for sale, which is an increasingly complex and difficult area of the law. The services rendered, certainly during the two and a half years that the current Agency legal staff has been in place, have been exemplary in all respects. When an amendment to the contract came before the Commission several months ago, questions were raised about their affirmative hiring practices. It should be noted that the firm has been very successful in meeting goals established by the San Francisco Bar Association for affirmative hiring of minority partners and associates. Two Partners, Stephen Zovikian and Ray Marshall are here to respond specifically to matters related to the firm's hiring and retention policies.

Mr. Zovikian and Mr. Marshall, McCutchen, Doyle, Brown & Enersen described the firm's affirmative action hiring practices and responded to questions from the Commissioners. The representatives noted that McCutchen has the best affirmative action program among law firms in the United States and special efforts are made when it is believed a group is under-represented because the firm has a commitment to diversity.

Ms. Bolanos noted that the Commission had not questioned the firm's overall affirmative action record but the issue was raised regarding statistics which indicated a decrease in numbers of a particular group.

The Commissioners noted their concern regarding the firm's affirmative action hiring record relative to Latinos.

Mr. Marshall indicated, although there are no Latino partners, it has been made known to Latino student organizations that McCutchen is receptive and recruitment efforts have been made to encourage Latinos.

In response to an inquiry from Ms. Ong regarding the possibility of joint venturing, Mr. Zovikian indicated that, although it is desired to have the firm as fully integrated as possible, McCutchen intends to stand on its own as a law firm.

In response to an inquiry from President Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that a Committee is working on testimony heard and will return with a recommendation on an amendment to the contract when there are no further issues.

Mr. Kitahata arrived at 5:05 p.m. during the discussion on item (f).

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Commissioners Hom, Ong and Stern were sworn-in by the Mayor on August 25. The Commissioners have been provided with a schedule

of tours planned for the new Commissioners which can begin as early as next week. Also, each Tuesday at 3:15 p.m., briefings are being arranged before the regular Agency meeting to update the new Commissioners on the major issues.

- (b) The next Strategic Plan Steering Committee meeting will be held on August 27 at noon.
- (c) On September 2 at 1:30 p.m., the Human Rights Commission and the Redevelopment Agency will hold a joint meeting to foster the selection of minority and woman-owned architectural and landscape architectural firms by City and Redevelopment Agency-funded housing developers. It will be held at the Pacific Energy Center Facility, 851 Howard Street.
- (d) The Commissioners have been provided with a letter to Supervisor Gonzales of the Finance Committee of the Board of Supervisors regarding the Agency's funds that are on reserve for the operation of Central Records, pending the outcome of an analysis of the feasibility of contracting out the microfilming function. The analysis is attached to that letter and concludes that contracting out is not feasible. Staff is now requesting that the Finance Committee favorably consider lifting the reserve. The Commissioners will be advised of the outcome.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that it will not be necessary to meet and confer with the Union, however, they will be informed.

- (e) On August 26, 5:30 to 8:30 p.m., the Council of Community Housing Organizations will be holding an awards presentation at Mendelsohn House, 747 Folsom. Special Awards Host will be Bradley Inman of the San Francisco Examiner.
- (f) Responses to the Request for Qualifications sent on July 27 for the mixed use development, which includes a supermarket, at Fourth and Harrison are due August 28. The Commissioners will be advised of the outcome.
- (g) The Commissioners have been provided with a report to Supervisor Hseih on issues he raised regarding the South Beach Harbor at the hearing on the Rincon Point-South Beach Plan Amendment. It has also been suggested that a tour of the Harbor be arranged for the Supervisor.
- (h) There is a need to add two items to the Closed Session agenda regarding Real Property Negotiations.
- (b) Judy Eng, Real Estate Development Specialist, introduced item (b), which requests authorization of a First Amendment to the Land Disposition Agreement (LDA) with David Mischel and Maggie O'Connell Mischel (Owners) for the rehabilitation of the property located at 1689 Sutter Street in the Western Addition A-2. Subsequent to authorization of an LDA with Sutter Street Associates in May 1985 for purchase and rehabilitation of this

two-story Victorian building, the property was acquired by the current owners on April 1, 1992 who propose to expand an existing building at the rear of the parcel and construct a new deck on the east side. The proposed improvements are consistent with the requirements of the Redevelopment Plan and staff finds the Schematic Design Documents submitted acceptable.

Ms. Eng introduced Mr. Mischel.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-92 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Predevelopment Grant for an amount not to exceed \$33,770 to Golden Vista Residents Association (Association) in relation to acquisition and rehabilitation of Vista Del Monte Apartments located at Goldmine Drive and Diamond Heights Boulevard in San Francisco. During the years 1965 through 1980 Federal Government programs subsidized over 600,000 affordable housing units with affordability restrictions for the term of the mortgage. Although the loans were provided for forty years, under most circumstances for-profit owners could prepay their loans after twenty years and eliminate the low-income use restrictions. The 104-unit Vista Del Monte Apartments was financed under the FHA section 236 program and the owner has notified the U.S. Department of Housing and Urban Development (HUD) of intent to sell the property. The elimination of the affordability restrictions could result in higher rents beyond the ability of the very low-, low- and moderate income tenants of Vista Del Monte to pay. The tenants association would like to utilize a HUD program to buy the apartment complex from the current owner to maintain affordable rents and has requested a predevelopment grant from the Agency's Subsidized Housing Preservation Program to pay for technical assistance to evaluate the feasibility of purchasing the property. The Tax Increment Housing Program Loan Committee has approved the request for \$33,770.

The following persons spoke in support of item (c): Eddie Stiel, Director, San Francisco Coalition for Low Income Housing; Phaedra G. Bell, President, Golden Vista Resident Association; Ron Mays, Vista Del Monte Apartments; Valentina Shul; Elsa Zavaleta; Arnold Johnson; and Ana Shul, San Francisco Coalition for Low Income Housing.

Ms. Shul invited the Commissioners to take a tour of the project.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-92 BE ADOPTED.

- (d) Joel Lipski, Mayor's Office, introduced item (d), which requests authorization of a \$75,000 Loan Agreement with Asian Neighborhood Design for predevelopment expenses related to the development of 38 affordable family rental housing at 555 Ellis Street as part of the Citywide Tax Increment Housing Program (TIHP). Asian Neighborhood Design, in partnership with San Francisco Network

Ministries, obtained a \$900,000 commitment of CDBG site acquisition funds from the Mayor's Office contingent upon obtaining additional commitments from both the State Rental Housing Construction Program (RCHP) and the Low Income Housing Tax Credit Program. Although a tax credit allocation was received, RCHP funding was not obtained and no other State funds are available for new construction of rental housing. After consultation with the Agency and Mayor's Office, the sponsors decided to redesign the project to reduce the size and development costs. \$30,500 of the requested loan is specifically for expenses related to redesigning the project and preparation of another Tax Credit application in early September. The loan has been approved by the TIHP Loan Committee.

Glenda Hope, San Francisco Network Ministries, described the organization's programs.

Ms. Ong indicated that perhaps it would be helpful to have a Commissioner sit on the Loan Committee and Mr. Helfeld indicated that he would convey this suggestion to Kent Sims of the Mayor's Office.

Virginia Conway noted that she hopes this project will be put pressure on the Senator Hotel to clean up the area.

President Bagot requested that non-profits asking for Agency funding provide an affirmative action breakdown of staff for the Commissioners' information.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. HOM, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-92 BE ADOPTED.

- (e) Robert Gamble, Deputy Executive Director, Finance, introduced item (e), which requests authorization of a contract with Capital Partnership, Inc. for consultant services in connection with the Strategic Planning process. A recommendation included in audits conducted by the Budget Analyst's and Controller's Offices, was formulation of a Strategic Plan which would project the need for redevelopment activity in San Francisco and also include an analysis of staffing and organization to carry out the program. A Steering Committee consisting of Supervisor Kennedy, Kent Sims of the Mayor's Office and Commissioners Bolanos, King and Kitahata was appointed to guide the strategic planning process and has actively been involved with staff in the development of the Request for Proposals for a consultant as well as in the selection process of a consultant. The Steering Committee for the Strategic Planning Process has selected a strong team, with substantial MBE/WBE involvement, consisting of Capital Partnership, Inc., in association with Aileen C. Hernandez Associates and Nelson/Nygaard Consulting Associates.

Mr. Gamble introduced Aileen Hernandez, Aileen Hernandez Associates and David Schwartz, Capital Partnership, Inc.

Minutes of a Regular Meeting, August 25, 1992

Ms. Ong noted her concern regarding the RFP because the five goals listed are limiting and there should be an opportunity for the new Commissioners to have input. There is a need to articulate what it is expected the Strategic Plan will do because it will determine the future of the Agency.

Mr. Kitahata indicated that the consultant will not prepare the Strategic Plan, but will provide assistance. It is important all elements of the plan be discussed in public and there will be public hearings.

Mr. King noted that preparation of the Strategic Plan has been in process for six months and the Mayor's Office and the Board of Supervisors are involved as well as the Agency.

Following an extensive discussion between the Commissioners, Mr. Hom made the following motion:

MOTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. ONG, THAT ITEM (e), RESOLUTION NO. 179-92, BE CONTINUED TO THE MEETING TO SEPTEMBER 1, 1992, TO PERMIT TIME FOR FURTHER REVIEW.

Commissioners Bolanos, King and Kitahata noted their opposition to the motion because concerns raised by Ms. Ong had been raised and addressed within the Committee.

Mr. Stern noted he is prepared to vote in favor of the contract because it will permit the process to move forward and there will be an opportunity in the future for input by the Commissioners.

Mr. Schwartz indicated that it is proposed to interview the Commissioners and members of the Board of Supervisors for input to see what the plan needs to do to have a successful outcome.

Ms. Ong indicated that she is satisfied because she now understands this is an evolving process and that there will be an opportunity in the future for Commission input.

Mr. Hom withdrew his motion.

Ms. Bolanos indicated that there is a need for system whereby all Commissioners receive minutes and reports of the Steering Committee meetings so they are kept fully informed.

Mr. King indicated his intention to resign from the Strategic Planning Committee so there can be representation by a new Commissioner.

Ms. Ong suggested that Mr. Stern replace Mr. King on the Steering Committee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Bolanos regarding a memorandum on 24th Street and the Community Development Block Grant (CDBG) funding issue that had been raised, Mr. Helfeld indicated it had been distributed to the community.

Ms. Bolanos noted her concern that the CDBG issue had not been addressed and analyzed before the community was informed the funding was available. She indicated that because of the confusion that had occurred regarding the 24th Street funding, staff had been requested to explain the correlating procedures between the Agency and the Mayor's Office with respect to economic development programs to prevent similar occurrences.

Mr. Helfeld indicated that the U.S. Department of Housing and Urban Development (HUD) has agreed to meet with the 24th Street community to explain its concerns and it hoped the matter will be resolved within the next few weeks. Staff will try and develop a mechanism so this does not happen again.

- (b) Mr. Kitahata noted his concern regarding a newspaper article on the Central Embarcadero design debate on the plaza which includes a theater and an ice rink because the Agency is already in the process of building a theater in Yerba Buena Center and has design and funds already approved for an ice rink.

Mr. Helfeld indicated he would check with the Office of the Chief Administrator and report back.

- (c) In response to an inquiry from Ms. Bolanos regarding correspondence she had passed on regarding a law firm, David Madway, Agency General Counsel, indicated that Agency legal staff will be interviewing the firm when Jennifer Bell, Deputy Agency Counsel, returns from vacation.
- (d) The Commissioners discussed the Chinatown Economic Development Program and what sources of money would be used to fund the Chinatown Moon Festival Street Fair to be held on September 12 and 13.
- (d) In response to an inquiry from President Bagot regarding a letter from San Francisco Housing Development Corporation regarding sales prices for Hillside Village in Hunters Point, Mr. Helfeld indicated a meeting will held with all parties concerned.

President Bagot announced that there would be two Closed Sessions, the need for which arose subsequent to posting of the agenda on Friday, August 21, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

Minutes of a Regular Meeting, August 25, 1992

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON AUGUST 21, 1992.

These items are pursuant to Government Code Section 54956.8 to instruct the the Agency's real property negotiator. The property locations and entities the Agkency may negotiate with are:

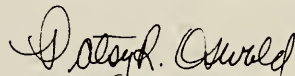
southwest corner of 10th and Market Streets with is Bank of America;
and;

400 Castro Street with Bank of America.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 7:25 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

September 29, 1992

OCT 05 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF SEPTEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of September, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Ben L. Hom, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Buck Bagot, President

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ted Dienstfrey, Director, Mayor's Office of Housing; Gary Gee, Asian-American Engineers and Architects; Catherine T. Beck; Jay Parashis and Reagen Howe, San Francisco Police Department; and J.I. Wheelock, Tenants and Owners Development Corporation.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of July 28, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is a need to add two items to the Closed Session agenda regarding Real Property Negotiations.
- (b) The next meeting of the Strategic Plan Steering Committee will be on September 3 at noon.
- (c) Responses to the Request for Qualifications sent out on July 27 for a mixed-use development that includes a supermarket located at Fourth and Harrison Streets were due on August 28. There were no responses to the RFQ. A meeting is scheduled for September 2

with a supermarket operator who is very interested and a report will be made to the Commission on those discussions. There is a need to look at the reasons that there were no responses and find ways to stimulate interest.

- (d) On August 31, the Board of Supervisors Administration and Oversight Committee passed a resolution to establish a Select Committee of the Board of Supervisors on the impact on City services by the closures of Hunters Point Naval Shipyard and the Presidio Army Base. This item will be before the full Board of Supervisors on September 8. The passage of this resolution will mean the Agency will have a legislative reporting responsibility to the Committee. As yet, no appointments have been made to the Committee pending full Board approval. However, Supervisor Shelley indicated in his presentation to the Administration and Oversight Committee that he desires to have his first meeting of the Committee some time this month. Agency staff has advised the Executive Committee of the Hunters Point Citizens' Advisory Committee (CAC) and a full announcement will be made to the full CAC at their scheduled meeting of September 8 to be held at the Southeast Community College, 1800 Oakdale Avenue.
- (e) On August 31, the Board of Supervisors passed the Budget Amendment to issue \$550,000 of tax allocation bonds for the rehabilitation of the Center for the African and African-American Art and Culture in the Western Addition. This includes \$100,000 for economic development at the Center.
- (f) On August 31, the Board of Supervisors passed a resolution urging the Mayor to establish a pilot Disadvantaged and High Risk Youth Employment Program. This is the program discussed at the Joint Meeting between the Agency and Economic and Social Policy Committee of the Board of Supervisors on July 14, 1992, whereby Supervisor Kennedy introduced an amendment that was acted upon by the Redevelopment Agency to put \$500,000 in Hunters Point and \$500,000 in the Western Addition for a Youth Employment Program, which is part of the \$3,450,000 that will soon be before the Finance Committee to request a release of these reserve funds for this purpose, plus a Small Business Revolving Loan Program.
- (g) The Agency's current fiscal year budget has been submitted and will go before the Finance Committee of the Board of Supervisors next week. This was at the request of the Board of Supervisors in that approval of the Agency's 1992-1993 budget was conditioned upon going back for review after the State budget cuts are known. The Mayor's Office has indicated that it is expected approximately \$70 million will have to be taken out of the City budget.
- (h) The Commissioners have received an invitation from the Center for the Arts to visit the Center for the Arts construction site on September 3 or September 10 at 4:00 p.m.
- (i) Staff will recommend that item 6 (a), which relates to lease of space at 1426 Fillmore Street, be continued.

In response to an inquiry from Mr. King, Mr. Helfeld indicated that the Developer has a tenant who is interested in leasing the space in question and staff will need to look at other space available.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to amend Resolution No. 161-92, adopted August 11, 1992, regarding a five year lease by the Agency of Suite 212, 1426 Fillmore Street, by authorizing payment to Western Commercial Partnership II of up to \$13,000 for additional tenant improvements required by the Agency in connection with the Western Addition A-2. It is recommended this item be continued for one week.

RULE OF THE CHAIR: ACTING PRESIDENT HOM INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 180-82, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 8, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Jack Robertson, Housing Development Specialist, introduced item (b), which requests authorization to extend a \$2.1 million funding commitment with GP/TODCO to June 30, 1993 in connection with the development of 241 Sixth Street, located at the southeasterly corner of Sixth and Tehama Streets in the South of Market. Subsequent to authorization of a Land Disposition Agreement (LDA) for the development of 140 affordable single room-occupancy (SRO) units, a \$2.1 funding commitment was approved which expires on December 31, 1992, too soon to satisfy an evidence of financing requirement of the State Tax Credit Allocation Committee for the low-income tax credits the developer is applying for on September 4, 1992 as part of the project's financing. An application has already been submitted to the California Disaster Assistance Program (CALDAP) for a low-interest deferred loan of \$4 million. Through the LDA the Agency has provided an \$824,000 land acquisition loan that is to be repaid in full within twenty-four months from conveyance of the site. The additional \$2.1 million would be provided as permanent financing in the form of a grant or deferred loan, bringing the Agency's outstanding subsidy in the project to \$2,924,000 for the initial two years from conveyance. The Agency has also provided a \$142,000 predevelopment loan which will be repaid from the construction proceeds. The Citywide Housing Loan Committee has approved this extension request.

Gary Gee, Asian-American Architects and Engineers, indicated that a letter had been sent to Ben Hattem, Agency Affirmative Action Officer, requesting MBE/WBE standards be applied to projects in the South of Market. The letter also requested information on MBE/WBE participation in redevelopment projects.

Gene Suttle, Senior Deputy Executive Director, indicated that a draft response to Mr. Gee's letter, which required extensive research, has been prepared and will be sent out shortly.

Mr. Helfeld indicated that there is an affirmative action policy which is attached to the Land Disposition Agreement for this project. He noted that on September 2 at 1:30 p.m., the Human Rights Commission and the Redevelopment Agency will hold a joint meeting to foster the selection of minority and woman-owned architectural and landscape architectural firms by City and Redevelopment Agency-funded housing developers. It will be held at the Pacific Energy Center Facility, 851 Howard Street.

Ms. Ong noted her concern that the Commission is faced with making a decision on this item at very short notice because the deadline for the tax credit application is September 4. She also noted her concern regarding the cost effectiveness of a building that is eight stories high because she had read an article on a study that said the condition of projects of this size deteriorate and they usually do not remain as well maintained as buildings of two and three stories. In addition, there are limited resources available, of which this project appears to be getting a large share.

Mr. Kitahata indicated he had heard of studies about height of public housing, but it did not apply to this type of housing. He noted that this is a request for a time extension for a project that has already been approved. However, in the future the Commission should have more notice before a deadline.

Mr. King suggested that new Commissioners have half day briefings to review all projects to ensure they have sufficient background information.

Mr. Helfeld suggested that as a mechanism the Commissioners contact staff if they have questions when they receive the final or tentative agendas so they can have a detailed briefing. He indicated that arrangements will be made for the Commissioners to receive the tentative agenda each Tuesday.

Mr. Hom noted that briefings are scheduled for the new Commissioners each Tuesday at 3:15 p.m. and tours of projects are also being arranged so they will soon be fully informed. However, it is of concern that the Commission has been put in the position in this instance of dealing with a September 4 deadline.

Mr. Kitahata noted that if this item is not approved, the developer will probably lose the tax credits which would seriously delay the project even further. The Agency is leveraging a small amount of funds compared to other funding sources.

William Rumpf, Chief, Housing Production and Management, apologized for the time constraints imposed on the Commission but indicated it had not been announced until August that tax credits would be available. Therefore, the Developer did not have much time to prepare their loan applications and seek approval of the Loan Committee and the Commission.

Minutes of a Regular Meeting, September 1, 1992

Ms. Bolanos indicated that the eight story building was extensively discussed by the Commission who listened to testimony from the community and it was not a matter that was taken lightly. She suggested that staff provide the new Commissioners with the relevant background material on the project.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND CARRIED, WITH MS. ONG OPPOSING, THAT RESOLUTION NO. 181-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos reiterated her previous request that minutes and reports of the meetings of the Strategic Planning Committee be provided to all Commissioners.
- (b) In response to an inquiry from Mr. Kitahata, Robert Gamble, Deputy Executive Director, Finance, indicated that a draft audit on the Steam Cleaning Program has been received and it is anticipated the final audit will be available in two weeks.
- (c) Mr. Kitahata requested that the Commission be kept informed of developments regarding Youth Employment Program.
- (d) In response to an inquiry from Mr. Kitahata regarding the Waterfront Land Use Plan, Mr. Helfeld indicated that he would check the wording of Proposition H which he believes does not permit hotels on the waterfront.

Mr. King noted that the Agency Commission is on record as opposing hotels on the waterfront.

- (e) Ms. Bolanos referred to the July 28 minutes wherein she requested a report on what recruitment efforts have been taken with regard to the employment goals contained in the Agency's Internal Employee Opportunity Policy and her concern that she would not like to lose a position being vacated by a Hispanic because of the low representation on Agency staff. Staff memorandum of August 2 now indicates that the position is to be filled internally and so how will there be representation. If filled internally the ratio of this group will be even lower.

Mr. Helfeld indicated that there is a conflict of objectives. Although any opening goes to under-represented groups, there is also a policy to give current staff an opportunity. However, the Agency is not necessarily required to make a selection from current staff.

Gene Suttle, Senior Deputy Executive Director, indicated that it is normal procedure to seek out applicants from under-represented groups and at the same time interview internally. In discussions with the Mayor's Office, it appears the Agency might not be permitted to advertise the position.

Ms. Bolanos urged the Commission to support her position.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Ted Dienstfrey, Director, Mayor's Office of Housing, noted his support of staff's position on item (b). He indicated that TODCO has developed 1200 units, all of which are ten story buildings, occupied mainly by elderly tenants, and it has worked for them.

In response to an inquiry from Mr. Stern, Mr. Dienstfrey indicated that the Citywide Housing Loan Committee was established about a year ago in an effort to coordinate subsidized housing which is being funded from different sources and in order to ensure coordination and consolidation of funding pools available.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that Kent Sims of the Mayor's Office had indicated it would not be appropriate for a Commissioner to be a member of the Loan Committee because it makes recommendations to the Agency Commission. However, Mr. Sims had indicated that any Commissioner is welcome to sit in on deliberations of the Committee.

Ms. Bolanos indicated that the new Commissioners should have clarification of the composition and functions of the various Task Forces and Committees.

Ms. Ong requested that staff conduct a study of Task Forces and Committees in order to formulate a consistent policy.

Acting President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.9(a) concerning pending litigation in regard to Fillmore Center Associates, U.S. Bankruptcy Court, Northern District of California, No. 91-3-4930-LK.

There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the north side of Mission Street between Third and Fourth Streets in Yerba Buena Center and the entity the Agency may negotiate with is the Mexican Museum.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, August 28, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of at least five Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON AUGUST 28, 1992.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

Minutes of a Regular Meeting, September 1, 1992

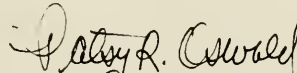
southwest corner of 10th and Market Streets with the Bank of America;
and

San Francisco Naval Shipyards with the United States Navy.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and
unanimously carried that the meeting be adjourned to Closed Sessions
on Litigation and Real Property Negotiations. The meeting adjourned
at 5:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 29, 1992

OCT 20 1992

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11 MINUTES OF A REGULAR MEETING OF THE
11 REDEVELOPMENT AGENCY OF THE CITY AND
1 COUNTY OF SAN FRANCISCO HELD ON THE
1 8TH DAY OF SEPTEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of September, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: James Fang, Mayor's Office of Economic Planning and Development; Florence Stroud and Jim Curtiss, San Francisco Department of Public Health; Bertha Janny; Noni Richen; Charles Talley; Jonathan Vernick, Wendy Goldberg, Joe Healy, Linda Hallen, Baker Places, Inc.; Ray Casenave, Council of Community Housing Organizations (CCHO); Mike Mahoney, San Francisco Police Department; Andrew Johnson; Francine McKinney and James McCrae, San Francisco Housing Development Corporation; Ned Topham, Angela Gittens and David Dial, Center for the Arts at Yerba Buena Gardens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The next meeting of the Strategic Plan Steering Committee will be held at noon on September 17.
- (b) No responses were received to the Request for Qualifications for the mixed use development, that includes a supermarket, located at Fourth and Harrison Streets in Yerba Buena Center. Discussions are in process with Lucky Stores who have expressed a strong interest in the site. The Commissioners will be kept informed of developments.

- (c) The Agency's current fiscal year budget will be before the Finance Committee of the Board of Supervisors on September 10. This was at the request of the full Board of Supervisors whose approval of the 1992-1993 budget was conditioned upon returning for review after the State budget cuts are known.
- (d) The release of the economic development funds, which were put on reserve by the Board of Supervisors subject to the Commission adopting an implementation plan, has been requested

In response to an inquiry from President Bagot, Mr. Helfeld indicated that when the funds are released the Small Business Loan Program can proceed. However, the Western Addition Task Force has raised questions about the desirability of the Pilot Youth Employment Program and the Task Force will have to return to the Commission and the Board of Supervisors if they want to change the action already taken in that regard.

Mr. King noted that a joint recommendation of the Economic and Social Policy and City Services Committees on the establishment of a pilot Disadvantaged and High Risk Youth Employment Program was before the full Board on September 8 and has been referred to the Finance Committee. It will be back before the full Board on September 21. The Commission approved the youth program and the matter is now in the hands of the Mayor's Office.

Mr. Helfeld indicated that the Commission approved \$1 million to fund the Youth Employment Program, however, a specific program has not yet been developed and the Mayor and Board of Supervisors could reassign it to the Small Business Loan Program.

Robert Gamble, Deputy Executive Director, Finance, noted that the Budget Analyst has recommended the funds for the Youth Employment Program remain on reserve because there is not program in place yet and it should return to the Finance Committee for further review.

Mr. Kitahata indicated that staff should continue to monitor developments.

Mr. Helfeld noted that Leamon Abrams, Chief of Economic Development, is part of the group working on the loan program, which mainly consists of staff from the Mayor's Office.

- (e) On September 4, Commissioners Hom, Ong and Stern were taken on a tour of City-wide housing developments. The next tour is scheduled for September 11, which will cover the South of Market Earthquake Recovery Area and the Rincon Point-South Beach area.
- (f) On September 2, the Agency and the Human Rights Commission held a joint meeting to foster selection of minority and woman-owned architectural firms by City and Redevelopment Agency-funded housing developers.

- (g) There is a need to add an item to the Regular Agenda, to be considered in conjunction with item (g), which relates to Chinatown.

President Bagot noted the presence of James Fang, Mayor's Office of Economic Planning and Development and indicated that item (g), New Business, and item (a), Matters not appearing on Agenda, would now be taken-up.

NEW BUSINESS

- (g) Leamon Abrams, Chief, Economic Development, introduced item (g), which requests authorization of an exchange of \$500,000 of Agency Program Income for \$500,000 of Agency discretionary funds to pay for marketing activities proposed in the Draft Final Plan as part of the approved Chinatown Economic Development Program. In January 1992, a final Draft Final Plan, prepared by the Chinatown Economic Development Task Force, was approved which identified programmatic uses for \$2 million of Agency funds set aside for economic development activities in Chinatown. In April 1992, the Mayor's Office appointed a new task force, the Chinatown Economic Development Group (CEDG) to implement the activities outlined in the Draft Final Plan. This exchange of funds has been requested by the Mayor's Office of Economic Planning and Development (MOEPD) and the CEDG because the activities proposed in the Draft Final Plan are being funded through Agency program income, which is subject to all U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) regulations. Activities funded by the program income must be CDBG eligible activities and meet federally mandated national objectives. Marketing activities are not eligible for CDBG funding, however, the CEDG has determined that marketing activities should be given high priority for implementation. Due to scheduling difficulties, the CDBG Citizens Committee has not yet acted on this exchange of funds and the action before the Commission is subject to their approval. Program income funds budgeted for Chinatown economic development marketing activities will be set aside for use by other Agency activities that comply with CDBG regulations. The proposed exchange of funds will allow the implementation of programs and activities identified in the Chinatown Economic Development Plan. The contract will be monitored by the Mayor's Office and Agency staff to assure adherence to the goals, the performance measures and the activities identified in the scope of the contract. Those activities are reported to the Commission periodically.

MATTERS NOT APPEARING ON AGENDA

- (a) Leamon Abrams, Chief, Economic Development, introduced item (a), which requests authorization of a contract with Chinatown Merchants Association (CMA) for the Moon Festival Street Fair, 1992, in an amount not to exceed \$85,000. The Mayor's Chinatown Economic Development Group (CEDG) requested proposals for sponsorship of the Fair and has selected the CMA to coordinate this year's Fair to be held on September 12 and 13. The total

proposed budget for the Fair is \$108,960. \$24,500 is anticipated from private sponsors and CMA is requesting the difference of \$84,460.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, September 4, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON SEPTEMBER 4, 1992.

Robert Gamble, Deputy Executive Director, Finance, indicated that when the Mayor's Office requested that the Agency seek a source of funds which could be used to pay for these activities, a source had to be identified that was not CDBG funds, tax increment bond proceeds or tax increment money because Chinatown is outside of a project area. The source of monies being exchanged in this instance are developer contributions in the Yerba Buena area which are not CDBG funds or tax increment. Part of the funds are contributions from the Marriott Hotel and the remainder from portions of Olympia & York's payments to the Agency. This involves moving \$500,000 of non-CDBG/tax increment funds into the Chinatown project and moving CDBG money into Yerba Buena Center. The Mayor's Office of Community Development has been concerned for some time that the use of CDBG funds for the Yerba Buena project may be difficult from the point of view of establishing a low- and moderate-income benefit. However, in the case of the exchange of \$500,000 for Chinatown, the Mayor's Office agreed that this increase in CDBG funding will not significantly affect the question of low- and moderate-income benefit.

President Bagot indicated that if it had been known these monies were available then there are other activities that could have been undertaken, such as the Mission Street economic development program. He requested staff provide information on how much CDBG money going into Yerba Buena might trigger a problem.

Mr. King noted his concern that if there is research on monies available numerous requests for funding will be received from various communities.

Ms. Bolanos noted that a policy issue is involved.

Mr. King indicated that there then should be a public hearing.

Mr. Helfeld indicated that this is an interim step because the money is being spent to build the Yerba Buena Gardens and is diminishing rapidly.

President Bagot noted his support of the Chinatown item, however, he indicated he would like staff to return with a recommendation on whether or not there is money available for other purposes, particularly since 24th Street has been waiting for months to expend economic development funds because there has been confusion regarding the applicability of CDBG funds. Since HUD has still not approved that program, he would be interested in staff giving the Commission the ability to move forward with its commitment to 24th Street.

In response to an inquiry from Ms. Ong regarding funding sources, David Madway, Agency General Counsel, indicated that essentially the CDBG monies that are being exchanged are from a fund that was created when the Agency agreed to make certain changes in the ground lease between the Agency and the Marriott Hotel to facilitate refinancing of the hotel. In exchange for the Agency's willingness to make certain changes to the ground lease, Marriott agreed to pay the Agency a total of \$10 million. There are dollars coming into the fund out of the CDBG program and there are dollars going out of the fund to Chinatown. The dollars that are flowing out of the fund are relatively discretionary dollars and the dollars flowing in can properly be used for the purposes that the Marriott money is to be used for under the terms of that agreement.

Mr. Hom said he wanted to make it clear this is exactly a "swap" and the funds will be replaced. The CEDG, under the guidance of the Mayor's Office, has done an excellent job and it is believed the plan will work for the benefit of the Chinatown community and therefore help the entire San Francisco community.

Ms. Bolanos noted her opposition to this item, not because this community does not deserve it, but because there is a problem in terms of policy and procedure and a dangerous precedent is being established. It has nothing to do with whether the money can be replenished but how can it be justified to other communities that have come to the Agency with equal concerns in their own communities and have been told the project does not meet CDBG guidelines so it cannot be funded. Staff has repeatedly been requested to explain how the Agency is coordinating with the the Mayor's Office of Community Development to make sure before a commitment is made to a project that is not in a redevelopment area that the guidelines are met. This should be provided in writing so the Commission and the community understand what the applicable uses are for CDBG funds. In voting on this item today it should be taken into consideration that it creates implications in other areas and with communities that have not been afforded the same opportunity. A consistent procedure has not been followed and the Agency needs to examine its role in non-redevelopment project areas relative to economic development to determine which programs can be funded and how they can be

funded. There was a similar case recently and the 24th Street project was delayed, but discretionary funds were not offered in that instance. However, this is not an issue of one community versus another but a fundamental policy question.

In response to an inquiry from President Bagot, Mr. Abrams indicated that staff has worked with the CEDG on the development of the program and the Mayor's Office of Community Development has approved the programmatic uses identified for the \$2 million. It was pointed out to the CEDG that any specific activity would have to meet the requirements of the CDBG program. The CEDG indicated in the event they wanted to highly prioritize those activities which may be deemed ineligible for use by CDBG funds then staff would be requested to research whether other funds were available to fund that particular activity.

Ms. Ong noted that she supported the issue raised by Ms. Bolanos regarding policy. Regardless of the source of the funding, it is tax money and the Agency and its Commission must be very careful about monitoring funds and have the same type of strict guidelines set forth by the State and Federal Government. The CDBG guidelines are an attempt to monitor these monies and make sure they are used properly. With regard to these discretionary funds, it is requested staff develop strict guidelines about how the money is to be spent. Compliance with CDBG guidelines is required when CDBG funds are involved and if strict guidelines are also imposed on these discretionary funds she would have no objection to the transfer.

Mr. King indicated that guidelines and safeguards are contained in the documents and are already in place.

Ms. Ong indicated that she is aware the guidelines are outlined in the approved program, however, the discretionary funds that the Agency has apparently been able to come up with are another issue and guidelines need to be imposed if such funds are to be used in the future.

Mr. Stern noted that this is not tax money but public money. This is a contribution made by a developer to the Agency and, in turn, the Agency has some discretion in the use of the monies. He suggested the amount of possible discretionary funds available be discussed in Closed Session so the public is not led to believe monies are available.

Mr. Madway indicated that this is a subject for public discussion and not appropriate for a Closed Session.

Mr. Helfeld indicated that the Commissioners will be provided with the total amount of discretionary funds, however, they are fast diminishing. He noted that the Agency is subject to audits and has never spent any public money without severe restrictions and appropriate controls. Information will be provided to the Commissioners on typical contracts which assures that control.

Ms. Ong indicated that she had studied the approved Chinatown program whereby a fair and open bid process will be involved and if these guidelines are being followed then she would support this item.

Mr. Kitahata suggested an alternative would be to make a transfer of \$200,000 and reserve the remaining \$300,000 for thirty days, pending a staff recommendation on the policy issue as well as information on the amount of discretionary funds available and recommended use.

President Bagot announced that there would be a brief recess to discuss a possible conflict of interest. The meeting recessed at 5:10 p.m. and reconvened at 5:15 p.m. with the same roll call.

James Fang, Mayor's Office of Economic Planning and Development, indicated that the CEDG follows strict procedures and the Chinatown Merchants Association went through a stringent RFP process. It is a standing policy of the CEDG not to sole source but to follow RFP procedures. In this particular case, even though there was only one organization putting on an activity, it was decided they should go through an RFP process. The Mayor's Office, which works very closely with the Agency in monitoring funds, would like the full amount allocated in this particular case.

Mr. Hom noted his possible conflict of interest because he is a Director of the Chinatown Merchants Association and he would therefore abstain from voting on this item.

Mr. Stern indicated that because it is his understanding that the entire \$500,000 is needed to make the process work, he would move approval of this item.

Mr. King indicated he would second the motion.

Mr. Kitahata inquired in terms of actual cash needs what amount of money is needed, beyond the \$85,000 for the Street Fair, during the next thirty days.

Mr. Fang indicated that it is requested the \$500,000 be approved for marketing so the CEDG has the ability to implement the program and the entire amount is needed at this point.

Ms. Bolanos indicated she would go on record that she is going to vote against this item because a rational policy is needed and this is creating a dangerous precedent.

Ms. Ong indicated she would vote for the item because the \$500,000 is available and is needed to make the program a success. However, she would still request staff make the discretionary funds and guidelines for those funds public so it is known how they are being used.

President Bagot requested staff provide the Commissioners with a written report summarizing how the funds get spent. In addition, the Commission will get an opportunity to approve any expenditures beyond the \$85,000 for the Street Fair. He further requested staff report back on the availability of discretionary funds in light of the Central Block 2 construction schedule because it might be possible to assist another neighborhood that has requested funds and is having problems meeting CDBG guidelines.

Mr. Kitahata indicated that he would vote against this item, not because he disagrees with the expenditure for the marketing plan, but because it is not clear that there is an actual need for the full amount of funding being requested during the next thirty days.

Mr. King indicated that the Commission has approved the plan and he did not agree with waiting thirty days. Chinatown is separate from 24th Street and they should not be tied together.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, THAT ITEM (g), RESOLUTION NO. 186-92, BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Mr. King
Ms. Ong
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Ms. Bolanos
Mr. Kitahata

AND THE FOLLOWING ABSTAINED:

Mr. Hom

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND CARRIED, WITH MR. HOM ABSTAINING, THAT ITEM (a), RESOLUTION NO. 187-92, BE ADOPTED.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to amend Resolution No. 161-92, adopted August 11, 1992, regarding a five year lease by the Agency of Suite 212, 1426 Fillmore Street, by authorizing payment to Western Commercial Partnership II of up to \$13,000 for additional tenant improvements required by the Agency in connection with the Western Addition A-2. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 180-92, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 15, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS (Continued)

- (a) Public Hearing to hear all persons interested in the Second Amendment to the LDA with Hannibal A. and Betty Gene Williams and the consideration of the proposal by Baker Places, Inc., in connection with the property at 1249-51 Scott Street; Western Addition A-2.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (a), which requests authorization of a Second Amendment to the Land Disposition Agreement (LDA) with Baker Places, Inc. (proposed successor to John V. Berman, Jr.), which will permit a Change of Use of the parcel located at 1249-1251 Scott Street in the Western Addition A-2. Subsequent to authorization of an LDA in 1979 with Hannibal and Betty Williams for rehabilitation of this 2-unit Victorian building, a First Amendatory Agreement was approved permitting conversion of one of the existing units in to two units. In July 1991, Mr. & Mrs. Williams conveyed the site to John V. Berman who has now entered into a purchase contract with Baker Places, Inc. Baker Places, who currently operate two residential substance abuse programs in San Francisco, plans to operate a 12-bed residential treatment facility for persons with substance abuse problems and who have been diagnosed HIV positive. The proposed use of the site as a residential treatment facility is permitted under the Redevelopment Plan. The Developer held an open house for the neighbors to ask questions and the response was supportive. However, because a neighborhood organization raised a concern about the use continuing at the time Baker Places might sell the building, language is included in the Second Amendatory Agreement to indicate that this use reverts back to residential upon the sale unless the Commission decide, at the request of the purchaser, to agree to another use that would be consistent with the zoning.

The following persons spoke regarding item (a): Florence Stroud and Jim Curtiss, San Francisco Department of Public Health; Bertha Janny; Noni Richen; Charles Talley; and Jonathan Vernick, Baker Places.

Ms. Janny her noted concern regarding: the notification process; the possibility of program change; the adverse effect on property values in the surrounding area; and safety.

Ms. Richen noted her support of Baker Places, but indicated that there should be a requirement that the neighbors be informed if a program change is proposed and given an opportunity to comment.

The remainder of the speakers spoke in support of the project.

Mr. Vernick, Baker Places, described the notification process that had been followed. He indicated that since the facility will be staffed twenty-four hours and clients carefully assessed, it will add to the safety of the neighborhood. In addition, it is not believed property values will be negatively affected. The neighbors have been invited to join an Advisory Board so any concerns can be discussed. If the funding stream for this project is not renewed the plan would be to operate a program of a similar nature in the facility. It is not believed to be appropriate to go through the notification process and a Commission hearing for such a program change and this should only occur if the property is sold.

In response to an inquiry from Mr. Stern, Mr. Vernick indicated that there are no plans to operate a crisis center at the facility. If any radical change in programs is proposed then Baker Places would be willing to return to the Commission.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-92 BE ADOPTED.

- (b) William Rumpf, Chief, Housing Management and Production, introduced item (b), which requests authorization of an amount not exceed \$210,000 to fund a contract between the Mayor's Office of Housing (MOH) and San Francisco Housing Development Corporation (SFHDC) for homeownership counseling, loan processing and other housing services for the period of September 1992 - June 30, 1993. The Agency has funded SFHDC since late 1990 to perform homeownership counseling, publicity and initial loan processing for applicants for the Hunters Point Homeownership Program. The Mayor's Office of Housing administers the contract in conjunction with the contracts of a dozen other non-profit housing developers and technical service providers. This arrangement avoids duplication of administrative functions and ensures that SFHDC follows similar procedures to other City-funded non-profit housing corporations. SFHDC been in full operation for approximately a year and during that period has provided information on the Homeownership program to approximately 1,100 San Francisco residents. The \$210,000, which is being requested to continue these services, was approved in the Agency's 1992-1993 budget and is recommended by the Mayor's Advisory Committee on Community Development.

Francine McKinney, Executive Director, SFHDC, introduced James McCrae, SFHDC.

Ms. McKinney gave a status report on SFHC's activities during the past year. She responded to questions from the Commissioners

regarding the possibility of doing rehabilitation, activities on sites currently being developed and plans for future sites.

Mr. Kitahata indicated he would like to see a plan developed on SFHC's becoming self-sufficient from the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-92 BE ADOPTED.

- (c) Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which requests authorization of the expenditure of funds for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings; Change Orders to the Sumitomo Contract in an amount up to \$720,000; transfer of \$98,700 to the Center for the Arts to implement Architectural Services for the FF&E Program; the Bid Packages up to \$2,070,000; and Direct Purchases in an amount up to \$104,000 for the Program for the Visual Arts and Theatre Buildings in Yerba Buena Center. The FF&E purchases to equip the Visual Arts Center and Yerba Buena Theatre buildings necessary for them to open in the Fall of 1993 were approved on August 18. The action now before the Commission details the process for expenditure of those funds, allocates the funds by category of purchase and amends the change order authority to the Sumitomo contract for the Cultural Buildings to provide an amount up to a \$720,000 for an increase in work required. The FF&E has been planned as a second phase to occur when the buildings were under construction and the Center for the Arts has worked closely with the building architects and Agency staff to develop the program. These purchases will be made under the Agency's authority and will be carried out in accordance with the three purchase methods of the Agency, which are: purchase orders; change orders to existing contracts; and bids for services in accordance with the Agency's adopted purchase order process. Each process has different procedures, details of which are outlined in staff memorandum to the Commission. The remaining FF&E purchases will be brought before the Commission for consideration or purchased in accordance with the Agency's purchasing policy.

Ms. Sause introduced Ned Topham, Angela Gittens and David Dial, Center for the Arts.

Edmund Ong, Chief, Architecture, gave an overview of the bidding process which resulted in the selection of Sumitomo as the general contractor for the cultural buildings.

In response to an inquiry from Ms. Ong, Mr. Ong listed the other bidders for the contract.

Ms. Ong indicated she would like to see the contract broken down so there are more contractors involved.

Mr. Dial indicated that staff from the Center and the Agency jointly prepared the bid package and it was determined it would be better to have one general contractor who would be responsible

for all items. Although consideration was given to having more than one contractor it did not appear this would not work out fiscally.

Ms. Sause indicated that the \$720,000 is not just for Sumitomo but other contractors will be involved in the work. There are requirements in place to make every effort to involve minorities.

Ben Hattem, Agency Affirmative Action Officer, gave a status report on affirmative action in the Yerba Buena Center project.

In response to an inquiry from President Bagot, Mr. Ong indicated that two other projects being worked upon by Sumitomo are reported to be on time and within budget.

In response to an inquiry from Mr. King, Mr. Helfeld indicated that the Construction Project Manager the Agency has employed to oversee the project has resulted in a financial savings and report will be made to the Commission in this regard.

Ms. Ong reiterated the need for local and minority participation in the project.

Jennifer Bell, Deputy General Counsel, gave the background of the decision in the Croson case, following which the Agency was forced to abandon its goals and adopted a best efforts program for MBE/WBE participation. She also explained the Public Contract Code requirements for Agency construction contracts, including the requirements of the Subcontractors Listing Law.

Mr. King indicated that the Croson decision made enforceable goals illegal and a workshop should be held because new findings and guidelines are needed.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-92 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for Executive Director Edward Helfeld to travel to Los Angeles, California, October 21-25, 1992 to attend the Urban Land Institute (ULI) Fall meeting at a cost not to exceed \$900. The Executive Director will be making a presentation on the Yerba Buena Gardens and it is hoped to elicit the interest of developers in certain parcels available in Yerba Buena Center. Authorization of this travel is subject to approval by the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-92 BE ADOPTED.

Mr. Helfeld suggested that, due to time constraints, items (e) and (f) be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), A WORKSHOP ON HOUSING AFFORDABILITY, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 15, 1992. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Mr. Rumpf noted that the City will be holding a public hearing on the Draft Comprehensive Housing Affordability Strategy for the City for 1993 on September 15 and therefore there is a need to continue this item to the September 22 meeting.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), A WORKSHOP ON THE DRAFT COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY FOR THE CITY AND COUNTY OF SAN FRANCISCO FOR 1993, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 22, 1992.

Ms. Bolanos requested that when the CHAS is before the Commission, staff provide a geographical breakdown of the areas in the City the Agency has been participating in relation to the different programs which could assist in determining the housing affordability needs of San Francisco residents by ethnic breakdown.

President Bagot indicated that staff has already provided data on the ethnic breakdown of residents of Agency supported housing and reported on the ethnic composition of non-profits. However, mixing income and ethnicity in terms of needs in the CHAS is different and staff can research this.

Ms. Bolanos indicated that information has been provided on City-wide needs by income groups and particular areas, however, she would like to get a sense of what success there has been in addressing some of those needs with the different programs.

Ray Casanave, Executive Director, Council of Community Housing Organizations (CCHO), suggested the Commissioners study the CHAS carefully because the 1993 program takes a very realistic look at funding available, some of which will be threatened by State budget cuts when the Agency's housing budget is reviewed again by the Mayor's Office.

Ms. Ong noted the importance of involving the Mayor's Office of Planning and Economic Development because if there are no jobs, people cannot afford the housing that has been created, even though it is called affordable.

Mr. Casanave indicated that it had been the purview of the groups developing the CHAS not to get into economic development too heavily.

COMMISSIONERS' QUESTIONS AND MATTERS

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Gamble indicated that a report on State cuts as they relate to the City's budget will be made next week.

President Bagot announced that there would be two Closed Sessions to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

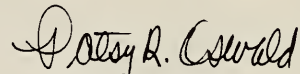
southwest corner of Webster between Geary and O'Farrell in the Western Addition A-2 with Western Commercial Partnership I: and

Central Block 1 in Yerba Buena Center with Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 7:35 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

October 13, 1992

OCT 20 1992

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11/ MINUTES OF A REGULAR MEETING OF THE
// REDEVELOPMENT AGENCY OF THE CITY AND
/ COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF SEPTEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of September, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Raymond Colmenar, South of Market Problem Solving Council; Bill Haskell, Department of Public Health, AIDS Office; Anita Hill, Executive Director, Yerba Buena Gardens Marketing Alliance; Bruce Tessler, San Francisco School of Arts; Karen Carr, Museum Parc; Tom Berman, Yerba Buena Gardens Marketing Alliance; Harry O'Brien, Attorney for Yerba Buena Gardens, L.P.; Michael Chen, Asian, Inc.; Chow Chen, Western Commercial Partnership I; David Brigode, Housing for Independent People; Glenn Matsui; Masami Dobashi; and Mike Mahoney, San Francisco Police Department.

APPROVAL OF MINUTES

Ms. Ong indicated that the minutes of August 11, 1992 record should show that the South of Market group requested Asian, Inc. to withdraw their proposal.

Ms. Bolanos noted that she had made a request at the August 11 meeting that a status report be made on 24th Street in three weeks time and would like the August 11, 1992 minutes to reflect that request.

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the minutes of August 11, 1992, as distributed by mail to the Commissioners, as corrected, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The next meeting of the Strategic Plan Steering Committee will be held on September 24 at noon.
- (b) On September 11, Commissioners Hom, Ong and Stern were taken on a tour of the South of Market Earthquake Recovery Area and the Rincon Point-South Beach Project Area. The next tour is scheduled for September 25 and will cover the Hunters Point Naval Shipyard, Hunters Point/India Basin Redevelopment Areas, the South Bayshore and Third Street.
- (c) The Commissioners have been provided with a letter from Mayor Jordan confirming the Agency as the City's lead agency with respect to the site at Tenth and Market Streets for the proposed federal office building for purposes of the California Environmental Quality Act (CEQA), which is unusual because normally it would be a function of City Planning. The decision to involve the Agency is to expedite the process.
- (d) The Commissioners have been provided with a report on the State legislation requiring redevelopment agencies to pass on a certain percentage of their 1990/1991 tax increment funds to the School District. There was an error in the report and the figure should have been \$3 million, not \$500,000.

Robert Gamble, Deputy Executive Director, Finance, indicated that the legislation passed last week, although not yet signed by the Governor, basically requires that redevelopment agencies pass through to School Districts approximately 16 percent of their 1990-1991 tax increment. There are currently varying interpretations of what 1990-1991 tax increment means and staff is working with the Controller's Office of the City to determine what base should be used. Indications from material issued by CRA and other organizations are that the apparent base which was used was the actual amount of tax increment which this Agency drew from the City which was approximately \$5 million that year, thus the low figure of \$561,000. From discussions with one of the authors of the legislation, it has been confirmed that the 16 percent is drawn from the total amount of tax increment generated by the Agency which in that year was just under \$20 million, which indicates the Agency's liability as approximately \$3.2 million. Still in question is whether or not the Agency can subtract from the amount which was already paid to the School District and the Community College District in that year from the portion of tax increment which was not paid to this Redevelopment Agency. If that deduction is permitted it will reduce the Agency's liability to about \$1.9 million. The Controller has raised the possibility of attempting to go back to the legislation in October for some special language which would apply only to this situation and provide that essentially a standard be applied because as the only combined City and County

San Francisco is different from other situations in the State wherein since the normal percentage the Agency passes through to the School and Community College Districts is only 9 percent, the Agency should only be held accountable for the 9 percent which is not passed through to them in the first place and not the 16 percent specified in the legislation. It appears unfair, because the normal amount that would pass through if no tax increment was drawn whatsoever would only be 9 percent, so essentially the School District is getting a premium from this legislation by the fact that the number is 16 percent instead of 9 percent. The percentage set by the legislation is a flat 16 percent which applies to everybody and, obviously, if that kind of change in legislation could be attained, it would be very favorable to the Agency. This also leads to the situation the Agency is in with the City Budget because the City is attempting to reduce \$64 million from its general fund due to State budget reductions. During discussions with the Mayor's Office they have been made aware of the difficulty the Agency is having because of the State legislation relative to tax increment funds. The Agency did not appear on a list issued by the Mayor's Office of departments to be targetted for cuts. A number of possibilities have been discussed with the Budget Office, including an attempt to shift a portion of the Agency's bond payment, based on this fiscal year's tax increment bond issue, into the next fiscal year. If it is workable, it will save half of the tax increment draw of approximately \$2.5 million for this year and, although it is only a one time solution, it will assist the City's current budget crisis. Another subject that was discussed with the Mayor's Office is the possibility of using Redevelopment Agency support for major general fund departments which carry on activities in redevelopment project areas, such as police, fire, health and libraries. However, this would be a problem because it would involve using bond proceeds to support operating costs and it is believed the Mayor's Office has been convinced not to pursue that matter any further. Staff will be returning to the Commission with a recommendation for reducing the Agency's budget by \$3.2 million, which will not be an easy task.

In response to an inquiry from Ms. Ong, Mr. Gamble indicated that the legislation specifies it will be for one year only, however, one of the authors of the legislation has indicated it might be in place longer.

In response to an inquiry from Mr. Kitahata, Mr. Gamble indicated he would check the legal implications of changing the bond payment dates.

President Bagot indicated that groups interested in the budget should be advised that the Agency is looking at how to reduce it by \$3.2 million.

Mr. Helfeld indicated that the revised budget will be presented to the Commission for consideration before it is sent to the Mayor's Office.

- (e) The Commissioners have been provided with an informational memorandum which described funds that are not Community Development Block Grant (CDBG) or Tax Increment, which are diminishing as construction of Yerba Buena Gardens proceeds, but are still there for special situations, such as the \$500,000 marketing program for Chinatown. Pending approval by the Department of Housing and Urban Development (HUD) of \$1 million in CDBG funds for 24th Street, it is proposed that \$100,000 in discretionary funds be assigned to the 24th Street loan program, as opposed to \$240,000, which will be a beginning until approval of CDBG funds by HUD.

In response to an inquiry from President Bagot, Leamon Abrams, Chief, Economic Development, indicated that the Agency has sent a draft of the Community Development Investment Fund as well as the working Loan Program to HUD, however, neither have yet been approved in their final form.

In response to concerns expressed by Commissioners Bagot and Bolanos, Mr. Helfeld indicated that \$100,000 for the loan program is proposed as a bridge for two months pending HUD approval. However, because of concerns raised, it is suggested that another \$100,000 be assigned to the site acquisition program.

Ms. Bolanos noted her concern at the delay in implementing the 24th Street program. She indicated that \$1 million is involved whereby \$240,000 has been allocated for a Small Business Loan Program, \$720,000 for Site Acquisition and \$40,000 for Physical Improvements. At a meeting held six weeks ago with the community they were told at the eleventh hour that it would be another three weeks before funding would be in place because of CDBG problems. Now only \$100,000 is being proposed, as opposed to \$240,000, for the loan program and what use will \$100,000 be for the site acquisition since there is not even a program in place for \$100,000.

President Bagot indicated he would like to see the \$1 million funding in place because a commitment has been made to the 24th Street community and the program needs to move ahead.

Mr. Helfeld noted that there is disagreement between the community and the Mayor's Office of Economic Development and Planning on how the loan program should be managed so even if the funds were assigned they could not be spent until this is worked out. Staff is attempting to facilitate discussions to resolve the differences.

Ms. Bolanos inquired whether the community had been advised regarding the proposed \$100,000 and noted her concern that the community should be present when this issue is being discussed.

Mr. King indicated that this is only a report and it is not necessary for the community to be informed because an action item is not involved.

Ms. Bolanos indicated that the community should be informed if a discussion is to take place regardless of whether there is an action item.

Ms. Ong noted her support of funding the loan program in the entire amount of \$240,000 and suggested holding a public hearing on the differences between the community and the Mayor's Office to reach a conclusion about the guidelines for the loan program.

Mr. Helfeld indicated that his understanding of the issue is that the Mayor's Office has set up guidelines for loan programs in each neighborhood and wants them all to be uniform.

Ms. Ong indicated that, nevertheless, this is a matter that should be aired with community representatives to indicate why they believe their program should be different. If there are stringent guidelines applicable throughout the City then the Commission needs to be informed and have discussions.

President Bagot referred to Ms. Bolanos' comments regarding the community being informed of discussions and suggested holding a workshop regarding the source of funds, the amount of funds and loan disbursement procedures. He indicated that unless there is a problem with exchanging \$1 million in CDBG monies from Yerba Buena Center or getting approval from HUD, he would like those items reported on at the next meeting or a workshop.

Mr. King noted his opposition to a workshop because this matter is the responsibility of the Mayor's Office which has set up guidelines for all communities on the disbursement of funds.

Mr. Helfeld indicated that because of significant questions raised by the Commissioners he would request time to analyze the situation and report back next week.

- (f) It is requested that item (f) be taken up as the first item on the agenda.

NEW BUSINESS

- (f) Philip Williams, Housing Development Specialist, introduced item (f), which requests authorization for the Agency to Apply, Accept and Expend Funds from the U.S. Department of Housing and Urban Development (HUD) for the Housing Opportunities for People with AIDS (HOPWA) Program. HUD recently issued interim regulations and a Notice of Funding Availability for a new housing assistance program for this program. The funds are allocated by formula to eligible metropolitan areas and the San Francisco Metropolitan area, which includes Marin and San Mateo Counties, is eligible to receive approximately \$3.6 million. Eligible jurisdictions within the metropolitan area must designate a "Lead Agency" and submit an application for funds by September 30, 1992. Mayor Jordan has asked the Agency to serve as the "Lead Agency" in administering the funds and staff has worked closely with the Department of Public Health and the Mayor's HIV Health Services

Planning Council in developing a funding program and priorities. Marin and San Mateo Counties have agreed to the Agency being the "Lead Agency" for the funds. The funds will be issued through a competitive Notice of Funding Availability process to qualified housing and AIDS-service providers within the metropolitan area and divided based on the number of living persons with AIDS. Therefore approximately \$3.1 million would be spent within San Francisco and the balance divided between Marin and San Mateo Counties. The Agency would enter into administrative contracts with agencies in the respective counties to make funding decisions and administer the funds outside of San Francisco. Since the Agency has not had experience with AIDS services or with the specific housing needs for persons with AIDS, the Mayor has designated a special Loan Committee that will make funding decisions on the HOPWA applications.

Bill Haskell, Department of Public Health, AIDS Office, requested approval of item (e). He described the programs already in place for people with AIDS and funding sources.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-92 BE ADOPTED.

President Bagot indicated that item (b) would now be taken up.

- (b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests authorization of an expenditure of \$25,000 to the Yerba Buena Gardens Marketing Alliance (Alliance) for Marketing Services for the Project in connection with Yerba Buena Center. In May 1991, approval was granted for the Agency to participate as a "Founder" of the Alliance, which entails an annual fee of \$25,000. The Alliance, which is comprised of property owners, cultural institutions, hotels, business managers and residents, was formed to develop and promote a positive and cohesive public information program for Yerba Buena Center. Anita Hill, Executive Director of the Alliance, has organized numerous activities and events over the past year which have substantially heightened public awareness of this developing neighborhood. Ms. Hill has participated in the organization of the Esplanade and Martin Luther King, Jr. Memorial groundbreakings and holds monthly meetings of the Alliance in various locations within the vicinity of Yerba Buena Center for the purpose of informing Alliance members and potential members of developments in the area. The Alliance has plans for many events during the coming year and has been extremely successful in developing a positive image with the objective of strengthening the interest of investors, businesses and potential tenants, which support is critical while the gardens and cultural center are being completed and several other parcels in the project are being marketed.

Anita Hill, Executive Director, Yerba Buena Gardens Marketing Alliance, gave a status report on the Alliance's activities and responded to questions from the Commissioners regarding the membership composition and fee structure.

The following persons spoke in support of item (b): Bruce Tessler, San Francisco School of Arts; Karen Carr, Museum Parc; and Tom Berman, Yerba Buena Gardens Marketing Alliance.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-92 BE ADOPTED.

- (a) David Madway, Agency, General Counsel, introduced item (a), which requests authorization of: (I) an Option Agreement with Yerba Buena Gardens, L.P. (YBGLP) which, if the Option is exercised, would permit YBGLP to purchase the Central Block 1 (CB-1) Office Parcel and to lease the CB-1 Retail Parcels on terms very similar to those set forth in the Restated and Amended Disposition and Development Agreement (DDA) between the Agency and YBGLP, and (II) a Mutual Release between the Agency and YBGLP under which each releases the other from all claims arising out of the DDA and the Option, unless YBGLP exercises the Option, in which case YBGLP and the Agency could assert claims arising under the Option Agreement and the DDA to the extent that the DDA is incorporated in the Option. On July 7, 1992, the Agency terminated the DDA because of YBGLP's failure to make a timely payment toward the purchase price of the CB-1 Office Parcel. To afford YBGLP a further opportunity to pay the balance of the purchase price of approximately \$13.5 million for that parcel, or find a successor developer acceptable to the Agency that would do so, an Option Agreement was negotiated. Under the terms of that agreement, the option to purchase the CB-1 Office Parcel runs through March 1, 1993. If exercised, the option would revive the DDA in its essential terms and there would be no change in the scope or content of the physical development program for CB-1 as set forth in the DDA terminated on July 7, 1992. At the same time the Option Agreement is entered into, the Agency and YBGLP would also execute a mutual release whereby each party releases the other from any claims that arise out of the DDA. The release is a benefit to the Agency since it waives any claim YBGLP might have against the Agency arising out of the liquidated damages provision of the DDA. If YBGLP exercises the option, either party could assert claims against the other arising out of the option or the DDA, to the extent the DDA is incorporated in the option. The Option Agreement and the Mutual Release are advantageous to the Agency because if the option is exercised, the Agency would be assured of receiving the balance of the CB-1 purchase price and the development along the lines contemplated by the DDA would eventually take place. In the event the option is not exercised, the Mutual Release will go a long way toward assuring a "clean break" between the Agency and YBGLP.

Mr. Madway introduced Harry O'Brien, Attorney for YBGLP.

In response to a concern expressed by Mr. Stern, Mr. Helfeld indicated that the extension date had been discussed at length by the Commission and, because of the intervening holiday period, agreement was reached on an eight month, rather than a six month extension.

Mr. Stern reiterated his concern as whether eight months is sufficient time because he would not like to see the deal fall through.

Mr. O'Brien indicated that when Olympia & York missed the deposit payment that was due on July 1, 1992, the Agency proposed a six month extension and the developer proposed a year. This resulted in a compromise of eight months being reached which is believed to be an aggressive timetable and the developer is proceeding on this basis. However, if the Commission believes it is appropriate to give more time, the developer would certainly support that effort.

In response to an inquiry from Ms. Ong, Mr. O'Brien indicated that an agreement in principle was reached last July whereby in return for the eight month extension, Olympia & York would give the mutual release which is now being sought.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-92 BE ADOPTED.

- (c) Richard Kono, Chief, Development and Real Estate, introduced item (c), which requests authorization of Exclusive Negotiations with a partnership to be formed and composed of Masami Dobashi and Glenn Matsui for the development of six residential condominiums on the parcel located at the northeast corner of Sutter and Laguna Streets in the Western Addition A-2. The site is presently occupied by a three-story building which is not feasible for rehabilitation as it is in an extreme state of disrepair and scheduled for demolition. The building is presently occupied by two commercial tenants who have agreed to relocate next year. Mr. Dobashi, a Western Addition Certificate of Preference Holder, owns an auto repair business located at the corner of Bush and Laguna Streets which will be moving outside the project area because the building it operates from is scheduled for demolition. Because Mr. Dobashi required a partner with development experience, he brought in Mr. Matsui as Managing General Partner. Mr. Dobashi will retain a 51 percent or greater interest in the partnership. Staff has been working with the partners and their architect on an acceptable development plan for four two-bedroom and two one-bedroom condominiums and approval of exclusive negotiations has been requested before any more funds are expended.

Ms. Ong requested a report on the Bush Street Synagogue Cultural Center project in the Western Addition A-2 because she had received contradictory reports.

Mr. Helfeld indicated that information he had given to Ms. Ong was incorrect and the project is moving ahead.

Mr. Kono indicated a status report would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-92 BE ADOPTED.

- (d) Jack Robertson, Housing Development Specialist, introduced item (d), which requests authorization of a Predevelopment Loan in an amount not to exceed \$57,095 to Asian, Inc. related to the development of the site located at Sixth and Minna Streets in the South of Market. Asian, Inc. was selected for exclusive negotiations through a Request for Proposals (RFP) process which solicited non-profit housing developers. The Agency has approved the Developer's proposal to develop the site in two phases. Phase 1 is for a 24-unit family rental apartment project and Phase 2 is for a 50-unit single room-occupancy (SRO) project. The requested predevelopment loan would be used for expenses related to Phase 1 which is currently being worked upon. Asian, Inc. has secured all necessary financing for the project, which includes funding of \$1.250 million from the State Rental Housing Construction Program (RCHP), over \$2 million in low income housing tax credits, a private loan of \$683,102 and an Agency land write-down of \$900,550. 10 percent of development costs must be expended by December 31, 1992 in order to comply with low-income housing tax credit program requirements and construction needs to start in early November 1992. The architectural work to be performed and paid for under the requested Predevelopment Loan Agreement will enable Asian, Inc. to submit its building permit application expeditiously. This Predevelopment Loan has been approved by the City-wide Housing Loan Committee.

Michael Chan, Asian, Inc., requested approval of item (d).

Gene Suttle, Senior Deputy Executive Director, indicated that Raymond Colmenar of the South of Market Problem Solving Council had been here to speak in support of this item but had to leave the meeting.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-92 BE ADOPTED.

At this time, 5:45 p.m., Mr. Hom left the meeting.

- (e) Jack Robertson, Housing Development Specialist, introduced item (e), which requests authorization of a Predevelopment Loan in an amount not to exceed \$58,000 for Housing for Independent People related to the acquisition and rehabilitation of a 55-unit studio apartment building located at 820 O'Farrell Street as part of the City-wide Tax Increment Housing Program (TIHP). It is proposed to operate the building as low-income housing for individuals, one-half of whom are chronically mentally ill and the other half formerly homeless persons. An application to the U.S. Department of Housing and Urban Development's (HUD) Section 8 McKinney Moderate Rehabilitation for Homeless Program funds has received preliminary approval. Funding sources for the total estimated project cost of \$2.9 million are: Agency funds for approximately 60 percent of the acquisition cost; a low-interest loan in an

amount of \$1,673,300 by a consortium of Savings and Loans Associations (SAMCO) established to provide low cost financing for affordable housing projects; and HUD Section 8 rent subsidies to pay operating expenses and service the SAMCO debt. Funds will not be disbursed from the predevelopment loan or a \$1,161,181 acquisition grant already committed by the Agency until all financing necessary to complete the project is obtained. This requested Predevelopment Loan has been approved by the TIHP Loan Committee.

David Brigode, Housing for Independent People, requested approval of item (e).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-92 BE ADOPTED.

At this time, 5:55 p.m., Mr. Hom returned to the meeting.

- (g) Mr. Helfeld introduced item (g), The purpose of which if for a presentation of the Preliminary Water Dependent Industries Preferred Plan, Phase I. This Preferred Plan represents the completion of Phase I of the Port's Waterfront Land Use Plan required by the voters in the passage of Proposition H.

Larry Florin, Program Coordinator, Port of San Francisco, made a presentation on the Plan and responded to questions from the Commissioners, which included inquiries from Mr. Kitahata regarding the development and permitted uses for Pier 40.

In response to an inquiry from Mr. Kitahata, Thomas Conrad, Chief of Planning and Programming, indicated that staff has been in communication with Port staff about the issue of Pier 40 and designation in the Redevelopment Plan for commercial use. There will be ongoing dialogue and discussions on this subject.

In response to an inquiry from Ms. Ong, Mr. Florin indicated that the Bay Conservation and Development Commission (BCDC) has very strict but specific rules about what is considered acceptable. However, there may be a basis for asking them to change their regulations if there is public consensus on the plan.

Mr. Helfeld noted that BCDC did not want office space or anything that would limit public access to the pier. However, a restaurant was acceptable and they looked with reasonable acceptance at a hotel which was proposed at one point. It appeared a hotel would help finance other development at the South Beach Harbor, but this idea had to be dismissed because of Proposition H which banned hotels on the waterfront and even though the Redevelopment Agency is exempt from that Proposition, politically it could not be done.

Mr. King indicated that the Commission is on record as opposing a hotel on that site.

Mr. Florin indicated that the Advisory Board is looking at putting an amendment to Proposition H on the ballot to change that provision and BCDC rules.

UNFINISHED BUSINESS

- (a) William Rumpf, Chief, Housing Production and Management, introduced item (a), the purpose of which is for a presentation on the various Housing Affordability Levels used in the Agency's low- and moderate- income housing programs. The Agency's Mission Statement, adopted in October 1989, sets a policy that low and moderate-income families be defined as up to 120 percent of median income for first-time buyers and under 80 percent for renters. The policy provides that no less than 25 percent of the housing trust funds will be utilized for families with incomes under 50 percent of median income in a given year. The City's Residence Element, adopted in 1990, also sets these same levels as the target affordability level for projects using local housing subsidies. The City's Comprehensive Housing Affordable Strategy sets a top priority for assisting housing in the extremely low and low-income categories.

Mr. Rumpf made a presentation on charts showing affordable rents by income level/income levels by affordability category and responded to questions from the Commissioners regarding the Agency's housing programs.

Ms. Bolanos left the meeting at 6:50 p.m., during the discussion on item (a).

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted that three items appear on the tentative agenda for September 22 relating to legal contracts and inquired when there will be an affirmative action policy in place for law firms.

Mr. Helfeld indicated that it is hoped to have a proposed policy before the Commission by October 15, however, in the interim funds are being exhausted.

Mr. Kitahata suggested either action on the items be deferred until there is an approved policy or policy questions will have to be dealt with upfront. However, if there are pressing concerns regarding payment of the firms he would prefer there not be a delay.

Mr. Hom suggested that the tentative agenda be sent to the Commissioners after the regular Tuesday meeting to avoid discussions on next week's meeting taking place.

Mr. Stern indicated his support of Mr. Hom's suggestion.

Mr. Kitahata indicated that he endorsed Ms. Ong's request to receive the tentative agenda a week prior to the meeting because

it provides an opportunity for the Commissioners to advise staff if they have a problem with any of the items.

Mr. Helfeld indicated that Mr. Kitahata has raised an issue that staff should have been more sensitive to and the Commissioners' comments will be taken into consideration when preparing the final agenda.

- b) In response to an inquiry from Mr. Kitahata regarding a letter dated September 3, 1992 from John Elberling, Tenants and Owners Development Corporation (TODCO), Mr. Helfeld indicated that staff will be looking at Mr. Elberling's suggestion and will be returning to the Commission with a recommendation on the process for the management and operation of Central Block 2 in the near future.
- (c) President Bagot thanked staff for the status report on the proposed Pilot Youth Employment Program and requested staff contact Supervisor Kennedy to let her know the matter is now hands of the Board of Supervisors because it appeared she was under the impression Commission votes were needed to move the program ahead.
- (d) In response to inquiry from President Bagot, Robert Gamble, Deputy Executive Director, Finance, indicated that it is believed judgement should be withheld regarding the MEDA audit until the audit exit conference has been held.
- (e) President Bagot referred to a letter from the South of Market Foundation which indicated that if information is required from the Foundation on its ethnic composition as well as the ethnic identification of clients served then all economic service providers should be required to provide this information.

Mr. Helfeld indicated that it will be made clear in the future to organizations requesting Agency funds that they will be required to submit the same information.

Ms. Ong indicated that she would like to correct the record and she had not asked for the ethnic identification of clients served by South of Market Foundation

Gene Suttle, Senior Deputy Executive Director, indicated that there had been a misunderstanding and the record will be corrected.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Chow Chen, Western Commercial Partnership I, indicated that Webster Tower and Terrace was financed by tax-exempt bonds backed by a letter of credit from Mercury Savings which was subsequently taken over by Real Estate Trust Corporation. Because the Letter of Credit expires on December 1, 1992 refinancing is needed very quickly and the Agency's assistance is requested to re-issue the

bonds. He noted that the project generates over two hundred permanent jobs in the Western Addition, approximately 80 percent of which are filled by minorities. The new financing may require an extension of the rental restriction and it is requested that in the interests of the financial viability of the project the Commission not extend that restriction beyond what the law requires.

President Bagot indicated that this subject will be discussed in Closed Session.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and the entities the Agency may negotiate with are:

northwest corner of Eighth and Fulton with Integon Corp.; and

Hunters Point Naval Shipyard with the United States Navy; and

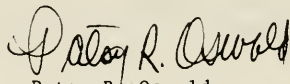
southwest corner of Webster between Geary and O'Farrell in the Western Addition A-2 with Western Commercial Partnership I.

There will also be a Closed Session pursuant to Government Code Section 54956.9 (a) concerning pending litigation in regard to Fillmore Center Associates, U.S. Bankruptcy Court, Northern District of California, No. 91-3-4920-LK.

ADJOURNMENT

It was moved by Mr. Hom, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Litigation. The meeting adjourned at 7:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

October 13, 1992

OCT 26 1992

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// MINUTES OF A REGULAR MEETING OF THE
// REDEVELOPMENT AGENCY OF THE CITY AND
/COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF SEPTEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of September, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Ben L. Hom, Acting President
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following were absent:

Buck Bagot, President
Sonia S. Bolanos
Leroy King

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Joel Lipski, Mayor's Office of Housing; Calvin Welch, Council of Community Housing Organizations; Mark Ryser, Foundation for San Francisco's Achitectural Heritage; Henry Lambert and Rodney Friedman, Reliance Development Group; and Ronald Bryant.

APPROVAL OF MINUTES

Ms. Ong indicated that she had not received the minutes listed on the agenda and it was decided to continue this matter to the September 29, 1992 meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A recent newspaper article incorrectly indicated that there would be Commission action today on the GSA building at 10th and Market Streets.
- (b) The next meeting of the Strategic Plan Steering Committee will be held on September 24 at noon.
- (c) Under new State legislation, the Agency is required to turn over 16 percent of its 1990/1991 tax increment monies to the School District. On October 1, each redevelopment agency in the State

will be notified of the amount that is to be passed on to its School District. It is estimated the Agency's portion will be \$3.2 million, which involves a reduction in the Agency's budget by that amount. To assist with the shortfall, it is proposed to postpone the tax increment bond issue which will result in \$2.5 million being available which is found to be desirable by the Mayor's Office. Starting on September 26, the Finance Committee of the Board of Supervisors will hold extensive public hearings on budget matters. The Agency will be before the Finance Committee on two occasions, firstly, on the tax increment bond issue and, secondly, when the final figure is received from the State on the amount of tax increment to be passed on to the School District since it will then be known to what extent the Agency's 1992/1993 budget will have to be adjusted.

- (d) The next tour for Commissioners Hom, Ong and Stern is scheduled for September 25 at 10 a.m. and will cover the Hunters Point Naval Shipyard, Hunters Point/India Basin Redevelopment Project Areas, the South Bayshore and Third Street.
- (e) With regard to the discussion at the September 15 meeting on funding the 24th Street program, a mechanism has been developed to provide the entire \$1 million, which is \$760,000 for the acquisition program and \$240,000 for the loan program. However, there are some differences between the community and the Mayor's Office of Economic Development on how the monies should be spent. Staff is endeavoring to facilitate discussions to resolve those differences.

In response to an inquiry from Mr. Hom, Mr. Helfeld indicated that Ms. Bolanos has been advised that the \$1 million is in place. The largest amount of the funds is a result of shifting funds and exchanging them with Community Development Block Grant (CDBG) monies. Although the U.S. Department of Housing and Urban Development (HUD) has not approved the program yet, which approval is required in order to use CDBG funds, staff is confident this will occur.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing continuing Exclusive Negotiations, until January 13, 1993, with San Francisco Housing Development Corporation for the development of Site DD-2, located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point.
- (b) Authorizing an Eighth Amendment to the Personal Services Contract with Harding Lawson Associates, which increases the contract by an amount not to exceed \$60,000, for Hazardous Materials and Waste Consultation Services; All Redevelopment Project Areas.

- (c) Amending Resolution No. 161-92, adopted August 11, 1992, regarding a five year lease with Western Commercial Partnership II for office space at 1426 Fillmore Street, by authorizing the changing of suites in the lease; Western Addition A-2.
- (d) Authorizing a revision in the repayment terms of a loan with Catholic Charities of the Archdiocese of San Francisco relating to the development of affordable housing at 16th and Church Streets.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 194-92, 195-92, 196-92 AND 197-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Joel Lipski, Mayor's Office of Housing, introduced item (e), a workshop, the purpose of which is for a presentation on the City of San Francisco's Comprehensive Housing Affordability Strategy (CHAS). The City is required by the U.S. Department of Housing and Urban Development (HUD) to prepare an annual CHAS as a condition of receiving Federal Housing and Community Development Funds. Last year the City prepared a CHAS which included five-year goals and a one-year Implementation Plan for 1992. The Commissioners have been provided with a Draft Implementation Plan prepared by the Mayor's Office of Housing for 1993 with the active involvement of Agency staff, other City Departments, community groups, housing and homeless advocates, business organizations and other interested parties.

Mr. Lipski described the background, content and structure of the CHAS and responded to questions from the Commissioners regarding: priorities targetted in the CHAS; income levels; funding sources; and use of tax increment funds.

Calvin Welch, Council of Community Housing Organizations (CCHO), spoke regarding item (e) and congratulated Agency staff and the Mayor's Office of Housing on coordinating public participation in the preparation of the CHAS. He indicated that there is a direct relationship between economic development and affordable housing and there is a need for local funding sources because of the lack of State and Federal funds for affordable housing. It is the Agency's responsibility to keep the resources and keep supplying funds for affordable housing through tax increment bonds. He noted his concern regarding the Agency's involvement with the GSA building.

Ms. Ong noted her concern regarding high density developments because if a mistake is made it cannot be rectified.

Mr. Welch indicated that he did not know of any non-profit developments with more than 200 units, with the average about 30 units, and the size of projects depends on zoning in specific areas.

In response to an inquiry from Mr. Stern, Mr. Welch indicated that he believed 80 percent of tax increment funds should be for affordable housing and 20 percent for business loans in retail neighborhood serving uses.

In response to an inquiry from Ms. Ong, William Rumpf, Chief, Housing Production and Management, indicated that one third of the funds from the tax increment program have gone to serve those with special needs, the homeless or very very low income persons, mainly on general assistance and approximately another third have gone to house the homeless or residents with special needs.

In response to an inquiry from Mr. Kitahata, Mr. Lipski indicated that there are ongoing discussions regarding local funding sources.

In response to an inquiry from Mr. Kitahata regarding the proposed increase in hotel tax, Mr. Lipski indicated that it will depend on how the funds are assigned.

In response to an inquiry from Mr. Kitahata, Mr. Welch indicated that Mission Bay is subject to a toxic mitigation program and there can be no development until there is toxic clean-up, which is holding up Mission Bay going forward.

President Bagot announced that there would be a brief recess. The meeting recessed at 5:35 p.m. and reconvened at 5:40 p.m., with the same roll call.

- (f) Jack Robertson, Housing Development Specialist, introduced item (f), a workshop, the purpose of which is to provide an opportunity for Reliance Development Group to make a presentation of its proposed 415 condominium development located on the block bounded by Brannan, First, Colin P. Kelly, Jr. Streets and the Embarcadero in Rincon Point-South Beach. The project involves property owned by the Developer and an adjacent smaller parcel owned by the Agency. The Developer has been pursuing development of this project since 1987 and during the past two years has negotiated with the Agency to produce a combined Owner Participation Agreement (OPA) and Land Disposition Agreement (LDA). A portion of the property owned by Reliance is improved with the Oriental Warehouse, a vacant earthquake-damaged building shell, that has been designated by the City as an historical landmark building and placed on the National Register of Historic Places. The Developer proposes to rehabilitate the Oriental Warehouse for 40 residential live/work units, which use is supported by the Rincon Point-South Beach Citizens' Advisory Committee and preservation groups. The remaining 375 condominiums would be constructed in two towers, one near Colin P. Kelly, Jr. and Brannan and the other near First and Brannan Streets. Neighborhood serving retail and commercial space is also planned as well as approximately 415 parking spaces for the residential component. It is anticipated rehabilitation of the Oriental Warehouse would consist of the first phase of the project, followed by construction of the residential towers as

the second and third phases. With regard to an affordable housing contribution, the Developer proposes to pay an in-lieu fee of \$3.150 million or \$50,000 per unit, the rationale for which is that local "funding gap" for subsidizing a market-rate unit to be affordable to a household at the 100 percent median income level is approximately \$50,000. To improve the project's economics, the Agency-owned portion of the development, which was purchased in 1985 for \$1.650 million, would be sold to the Developer for \$1.00 in exchange for the affordable housing contribution. When that site is conveyed Reliance will make a payment of \$1.6 million and a second payment of \$1.550 million will be made 36 months from the commencement of construction or when 75 percent of the units are sold, whichever occurs first. To date, Reliance has not been able to obtain financing for the project and has requested some flexibility in the enforcement of the development performance schedule. Commission action on the LDA/OPA is tentatively scheduled for consideration at the September 29, 1992 meeting.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, gave an overview of the project relative to height, density and preservation of the Oriental Warehouse as a national landmark.

Henry Lambert, Reliance Development Group, introduced Project Architect Rodney Friedman of Fisher, Friedman Associates, who made a design presentation.

Mark Ryser, Foundation for San Francisco's Architectural Heritage, noted his support of the project which represents a culmination of lengthy discussions over the treatment of the Oriental Warehouse.

The Reliance representatives and staff responded to questions from Commissioners regarding: the price of the units; the economic viability of the project; and the in-lieu fee for affordable housing.

Ms. Ong noted her concern at the in-lieu payment and indicated she would like to see an affordable housing component included in the project itself because of the social consequences. Efforts should always be made to integrate different groups into projects like this so there is a social mix.

Mr. Helfeld indicated that there are multiple objectives involved, mainly because the cost of restoring the Oriental Warehouse is significant and in the range of \$8 million. In this case it would not be possible for private enterprise to rehabilitate the Oriental Warehouse and build dwelling units because it would be too expensive. The housing requirements were reduced because it was sought to achieve another public benefit that of preserving the Oriental Warehouse, which is a landmark building.

Mr. Kitahata indicated he would like to reiterate Mr. Helfeld comments which summarize the crucial policy issues whereby this

is really a trade-off between historic preservation and affordable housing and there were lengthy discussions as to whether it was worthwhile or not.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Kitahata regarding a letter dated September 10, 1992 from City Attorney regarding negotiations for the Hunters Point Shipyard, Mr. Helfeld indicated that there has not been good communication between the Mayor's Office and the Board of Supervisors and the Agency has been caught in the middle while trying to carry out instructions of elected officials. The need for better communication with the Board has been emphasized to Mr. Sims of the Mayor's Office
- (b) In reponse to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that an item on the tentative agenda for the September 29 meeting concerning expansion of the South of Market Project Area boundaries does not relate to the GSA building.
- (c) In response to an inquiry from Ms. Ong, William Rumpf, Chief, Housing Production and Management, gave a status report on sites being considered for a detox center which staff is assisting in identifying at the request at the Mayor's Office of Housing because there is an appropriation of Federal funds for that purpose. He noted the interest of the Salvation Army in operating such a facility either on their own property at Eighth and Howard or at property for sale at Eighth and Fulton and indicated the Commissioners would be provided with relevant correspondence.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENCY, BUT AGENCY RELATED MATTERS

- (a) Ronald Bryant noted his concern regarding enforcement of the Agency's affirmative action program and his inability to obtain employment in redevelopment projects in his capacity as member of the Iron Workers Union.

Gene Suttle, Senior Deputy Executive Director, indicated that this is not a new matter and the Commissioners will be provided with background information in writing.

David Madway, Agency General Counsel, noted that under Federal statute the Agency does not have the authority to enforce the Labor Relations Act and cannot interfere in disputes between a union and its members.

Acting President Hom announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

northwest corner Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

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northwest corner of Eighth and Fulton with Integon Corp.; and

1028 Howard Street in the South of Market with 1028 Howard Street Associates; and

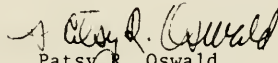
block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with Caltrans.

There will also be a Closed Session pursuant to Government Code Section 54956.9 (a) concerning pending litigation in regard to Fillmore Center Associates, U.S. Bankruptcy Court, Northern District of California No. 91-3-4920-LK.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Litigation. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

October 20, 1992

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11
11 MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF SEPTEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of September, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Sonia S. Bolanos
Leroy King
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Gary Kitahata (Arrived 4:30 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Vincent Marsh, Landmarks Preservation Board and San Francisco City Planning Department; Henry Lambert, Reliance Development Group; Elizabeth Byas, Mayor's Office; Naomi Gray, Chair of the Fillmore/Western Addition Economic Planning and Development Task Force; Gage Weary, Bayview-Hunters Point Economic Planning and Development Task Force; Bob Davis, Fillmore Center; Reverend John Lane; Raymond Colmenar; John McMillan, Shannon Associates; Randall Martinez and Michael Alcantar, Cordoba Corporation; Elena Branick and David Novogrodsky, representing the International Federation of Professional and Technical Engineers, Local 21.

Representing the press was: Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Ms. Ong, and unanimously carried that the minutes of the Regular Meetings of August 18, 25 and September 1, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The next meeting of the Strategic Planning Committee will be held on October 1 at noon.

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- (b) There will be budget hearings on October 1 and 2 by the Finance Committee. This first round essentially deals with the postponement of the payment on the tax increment bonds which could save the City's general fund a little over \$2 million. On October 1 the State will announce the amount of tax increment bond payment each redevelopment agency is required turn over to the School District under new State legislation. When the actual amount is known staff will be returning to the Commission with a recommendation in terms of a reduced budget for submission to the Finance Committee and the Board of Supervisors.
- (c) The next tour for Commissioners Hom, Ong and Stern will be at 10:00 a.m. on October 2 and will cover Yerba Buena Center.
- (d) Since there will not be an Agency meeting on October 6, the time of the briefings for the new Commissioners has been changed from 3:15 p.m. to 4:00 p.m.
- (e) There will be a reception for former Commissioner Mardikian on October 8 at 5:30 p.m. at the Delancey Street restaurant.
- (f) At the request of City Planning, the October 8 meeting with the City Planning Commission for certification of the Environmental Impact Report (EIR) for Yerba Buena Center has been changed to November 5 at 5:30 p.m., Room 228 City Hall.
- (g) The Commissioners have been provided with a legal opinion on the issue of Commissioners serving on the Board of Directors of the Center for the Arts. There are a number of issues involved which warrant significant discussion and guidance from the Commission as to how staff should proceed on this. Since there are a number of persons present in connection with action agenda items, it is suggested this matter discussed after consideration of those items.

Ms. Ong indicated she had not had an opportunity to read the conflict of interest material.

Ms. Bolanos suggested it would be helpful if the new Commissioners were provided with background information on the Center for the Arts so they can better understand what the role of Commissioners would be on the Center's Board and a determination can then be made on those conflict of interest issues.

Mr. King indicated he is not in agreement with Agency General Counsel's opinion.

Following discussion, it was the consensus of the Commission that the Executive Director report on this matter at the next Agency meeting and, in the interim, the new Commissioners be provided with historical background information on the Center for the Arts and the reasons why there were Commissioners on the Board.

- (h) William Rumpf, Chief, Housing Management and Production, indicated that four of five projects the Agency made funding commitments to several months ago under the Housing for Homeless portion of the tax increment program have been approved by the U.S. Department of Housing and Urban Development (HUD) for matching funding under the McKinney Act. The projects that will receive funding are: Progress Foundation for a 10 room group home for families with children and mentally disabled parents with children in the Haight Ashbury; Swords to Ploughshares for a 15 person group home for homeless veterans in Visitation Valley; Housing for Independent People for the rehabilitation of 45 studios for homeless and mentally disabled people in the Tenderloin; and Traveller's Aid for 14 units as transitional housing for homeless families in Hayes Valley. The project that was not funded is sponsored by CURAS, a Latino organization that provides services to people with AIDS. However, they have been advised that the Agency will shortly be issuing a Notice of Funding for the Housing for People with AIDS for which they can submit an application.
- (i) Five bids were received on September 29 for the East Garden in Yerba Buena Center. The low bidder was Stolte in the amount of \$1.236 million. The architect's estimate was \$1.350 million. Preliminary analysis shows that 28.5 percent of the subcontractors are minority businesses and 11.8 percent woman-owned businesses.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a combined OPA and LDA with Oriental Warehouse Associates and Reliance Oriental Warehouse, Inc., in connection with the property on the corner of First and Brannan Streets; Rincon Point-South Beach.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialist, introduced item (a), which requests authorization of a Combined Agreement for Disposition of Land (LDA) and Owner Participation Agreement with Oriental Warehouse Associates and Reliance Oriental Warehouse, Inc. for the development of the property located on the block bounded by Brannan, First, Colin P. Kelly, Jr. Streets and the Embarcadero in Rincon Point-South Beach. A workshop was held on September 22, 1992 for a presentation by the Developer of its proposal to construction a 415-unit condominium project, which involves property owned by the Developer and an adjacent, smaller parcel owned by the Agency. The Developer, who has been pursuing development of this project since 1987, presented architectural, financial and historic preservation issues leading to the proposed design and has negotiated with the Agency for the past two years to produce a combined LDA/OPA. A portion of the property owned by Reliance is improved with the Oriental Warehouse, a vacant earthquake-damaged building shell, that has been designated by the City as an historical landmark building

and placed on the National Register of Historic Places. The Developer proposes to rehabilitate the Oriental Warehouse for 40 residential live/work units, which use is supported by the Rincon Point-South Beach Citizens' Advisory Committee and preservation groups. The remaining 375 condominiums would be constructed in two towers, one near Colin P. Kelly, Jr. and Brannan and the other near First and Brannan Streets. Neighborhood serving retail and commercial space is also planned as well as approximately 415 parking spaces for the residential component. It is anticipated rehabilitation of the Oriental Warehouse would consist of the first phase of the project, followed by construction of the residential towers as the second and third phases. With regard to an affordable housing contribution, the Developer proposes to pay an in-lieu fee of \$3.150 million or \$50,000 per unit, the rationale for which is that local "funding gap" for subsidizing a market-rate unit to be affordable to a household at the 100 percent median income level is approximately \$50,000. To improve the project's economics, the Agency-owned portion of the development, which was purchased in 1985 for \$1.650 million, would be sold to the Developer for \$1.00 in exchange for the affordable housing contribution. When that site is conveyed Reliance will make a payment of \$1.6 million and a second payment of \$1.550 million will be made 36 months from the commencement of construction or when 75 of the units are sold, whichever occurs first. To date, Reliance has not been able to obtain financing for the project and has requested some flexibility in the enforcement of the development performance schedule.

Mr. Kitahata arrived at 4:30 p.m. during Mr. Robertson's presentation.

Ms. Ong inquired regarding income levels that would have been in place if the twenty percent of affordable housing component had been included in the project and President Bagot indicated he believed it was negotiated at 80 percent of median income.

The following persons spoke in support of item (a): Vincent Marsh, representing the Landmarks Preservation Board and San Francisco City Planning Department; and Henry Lambert, Reliance Development Group.

Mr. Marsh noted his pleasure that a satisfactory resolution has been reached for rehabilitation of the Oriental Warehouse.

In response to an inquiry from Mr. Hom, Mr. Robertson indicated that the estimate for a typical tank removal ranges from \$10,000 to \$12,000. The agreement provides that once the tanks are removed the Developer can assess the site to determine the level of remediation required and, based upon findings, has the option to terminate the agreement.

In response to an inquiry from President Bagot regarding costs, Mr. Robertson indicated an independent cost estimator was retained to look at the Developer's numbers for construction costs and renovating the Oriental Warehouse and found them to be

reasonable. Because rehabilitation of the Oriental Warehouse is very expensive, the financial return is minimal and so looking at the financial feasibility of the overall project with the large expense of the Oriental Warehouse, there is not a large profit margin. The affordable housing contribution in the agreement of \$3.150 million translates to approximately 15 percent of the units.

Mr. Stern noted that this is a trade-off of affordable housing for historical preservation and so there is not an actual figure.

Mr. Lambert noted that by saving the Oriental Warehouse, which is in an extremely bad state of disrepair, the Developer has been forced to build highrise buildings and is not making an undue profit.

Ms. Ong noted she would prefer to see inclusion of the affordable housing contribution rather than the in-lieu fee and inquired if Reliance is going to provide \$50,000 why the units could not be discounted by that amount to purchasers of the affordable units.

Mr. Helfeld indicated that even with \$50,000 deducted from the purchase price, it would not be possible to reach the desired income levels. Homeownership units require much more subsidy compared to rental because funds do not go as far in terms of the number of units to be served. The existing policy on affordability provides up to 80 percent of median income for rental projects with an average of all units at 60 percent and 120 percent of median income with an average of 100 percent for homeownership projects, which results in the high subsidy for homeownership compared to rental.

Ms. Ong noted that her disappointment that affordable housing has been dealt with in this way because its inclusion would result in broader social diversity in the project.

In response to an inquiry from Ms. Ong regarding the Agency's role in preservation, Mr. Helfeld noted that the Redevelopment Plan states that to encourage historic preservation is one of its purposes.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-92 BE ADOPTED.

- (b) Leamon Abrams, Chief, Economic Development, introduced item (b), which requests approval of an Amendment to the Economic Development Implementation Program and authorizing the expenditure of \$10,000 for the reproduction of "Black Presence in San Francisco in the 19th Century" by the African-American Historical and Cultural Society. Mayor Jordan established the Bayview/Hunters Point and Fillmore/Western Addition Economic

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Planning and Development Task Forces to provide policy input into economic developing issues affecting their neighborhoods. The Task Forces have adopted policies and procedures to implement a revised small business revolving loan program based on recommendations adopted by the Agency Commission on July 14, 1992. However, the Task Forces are requesting certain revisions to the approved program as well as a total of \$10,000 for the production of materials by the African-American Historical and Cultural Society. The proposed revisions to the program would: decrease the allocation to the small business loan fund in Bayview/Hunters Point from \$1,702,037 to \$1,652,037 and from \$732,500 to \$727,500 in the Fillmore/Western Addition; and create a fund for marketing, promotion, tourism in an amount of \$50,000 for Bayview/Hunters Point and \$5,000 for the Fillmore/Western Addition. The reason this item came about was really the initiative of the Mayor's Office in trying to take advantage of a meeting that is scheduled for November 5-8, 1992 of approximately 500 members of the National Coalition of Black Meeting Planners. The Mayor's Office met with the Visitors and Convention Bureau to develop a mechanism to complement the efforts and try to use the opportunity with the Meeting Planners being here to promote and small business development in these two communities. The expenditure of \$500,000 for each area for a youth employment program would remain unchanged.

Mr. Abrams noted the presence of Elizabeth Byas of the Mayor's Office and Bayview/Hunters Point Task Force member Donetta Lane.

Mr. Abrams indicated that on September 29, Supervisor Kennedy signed authorization for the Pilot Youth Employment Program.

The following persons spoke regarding item (b): Elizabeth Byas, Mayor's Office; Naomi Gray, Chair of the Fillmore/Western Addition Task Force; Gage Weary, Bayview/Hunters Point Task Force; Bob Davis, Fillmore Center; and Reverend John Lane.

Ms. Byas indicated that the Mayor's Office finds there is a need for the proposed expenditure for a brochure which has been approved by both Task Forces. The Black Meeting Planners, who plan Black conventions and other conventions, will be in San Francisco next month. In this connection, staff from the Mayor's Office met with the Visitors and Tourists Bureau and the African-American Historical Society and the material to be produced will market the African-American community and San Francisco to the rest of the nation.

Ms. Gray noted that the \$5,000 expenditure has been approved by the Fillmore/Western Addition Task Force, however, she is concerned further attempts will be made to use monies which are intended for the development of African-American businesses and the funds will be diminished without anything being accomplished in terms of business.

Mr. Stern noted the importance of retaining existing businesses and suggested finding out if there are people who are already in

business who wish to retire and sell because it is easier to improve an existing business than start a new one.

Ms. Gray indicated that this is a good point which will be taken into consideration.

In response to an inquiry from Ms. Ong, Mr. Weary indicated that the Bayview/Hunters Task Force voted unanimously to approve the proposed marketing expenditure and see it as a very necessary vehicle to promote African-American businesses in the Bayview/Hunters Point area.

Mr. Davis noted his support of this item however, there is concern at the reduction of the loan fund, the purpose of which is to produce new businesses and retain existing business. It is hoped in the future the hotel tax fund which normally handles tourism would be in a position to fund this type of venture. It is hoped the Commission will support the position of the Task Force if it becomes necessary in the future to prevent funds being used for purposes other than assisting businesses.

Mr. Kitahata noted that this does not look like an appropriate expenditure because there seems to be only a very distant link between the Black presence in San Francisco in the 19th Century and economic development.

Mr. Abrams indicated that the rationale that was used by the Mayor's Office for the production of that brochure was that it was an existing document and so in order to take advantage of the opportunity provided by the Convention Meeting Planners, the Mayor's Office sought to find an organization that had existing materials that could be reproduced. In addition, as part of that brochure there is walking map which really identifies strategic locations in San Francisco where there was a particular historical significance with the African-American community. The walking map and brochure will be provided to the meeting planners to use as they go around the city looking at different sites to apprise them of the assets of San Francisco by identifying those sites and that would help to promote the historical significance of San Francisco. The Mayor's Office pointed out that there are similar walking tour maps and brochures for other communities in San Francisco that help to promote the expenditure of dollars for businesses in those areas.

Ms. Byas indicated it is her understanding that the Black Chamber of Commerce and the Visitors and Tourist Bureau has a brochure that will be speaking to the current businesses and that is one of the reasons for providing the promotional historical material and walking tour map which will indicate to the planners that there is an African-American presence in San Francisco. The brochure and map will be placed in hotels and other strategic locations.

President Bagot requested projections for the coming year in terms of the number of new and existing businesses that will be

assisted and Mr. Abrams indicated he would prepare a report estimating the number of loans that will be before the Loan Committee.

President Bagot noted that Urban Economic Development Corporation (UEDC) contracts with the Agency for packaging the loans and he would like their projected goals for the next year. Mr. Helfeld indicated this information would be provided at the next Agency meeting.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-92 BE ADOPTED.

- (c) Tom Conrad, Chief, Planning and Programming, introduced item (c), which requests authorization to request the Board of Supervisors to amend its Resolution No. 177-90 designating the South of Market Survey Area for the purpose of adding additional properties to the South of Market Earthquake Recovery Redevelopment Project Area. In March 1990, in response to the need for disaster recovery efforts from the October 1989 earthquake, the Board designated a portion of the South of Market area as a survey area to determine the feasibility of revitalization through redevelopment or similar activities. The proposed action would: add real property to the project; modify the Earthquake Recovery Redevelopment Plan to convert it to a more conventional redevelopment plan; and expand the Agency's revitalization efforts beyond just those earthquake damaged properties within the existing project area. The reason for these proposed amendments is to provide economic development assistance to existing businesses in areas presently outside of the existing Project Area and to pursue housing development opportunities. In the near future, the City Planning Commission will be selecting the additional area to be added and approving a preliminary plan. In addition, a Supplemental Environmental Impact Report will be prepared and certified by the City Planning and Redevelopment Agency Commissions. The amended Redevelopment Plan will be publicly heard and acted upon by the Agency Commission and the Board of Supervisors. It is anticipated that the entire process will be concluded within ten to twelve months. The South of Market Problem Solving Council has participated in formulating the proposed Plan Amendment and has endorsed the Agency's request to the Board of Supervisors for its approval.

Michael Kaplan, Project Coordinator, South of Market, indicated that the proposed amendment is at the request of the community and its intention is to provide more flexibility so more activities can be covered. He noted the sites presently being developed by non-profits with Agency assistance, potential housing sites, and programs underway for improvements in the area.

In response to an inquiry from Ms. Ong as to whether there are plans for raising tax increment, Mr. Helfeld indicated that there are certain neighborhoods that, given the density and the amount of development, produce only modest tax increment while others,

such as Yerba Buena Center, produce significant tax increment and that is why there is a need for a merger of all projects financially.

Raymond Colmenar, South of Market Problem Solving Council indicated that the SOMPSC supports this item.

Ms. Ong noted that there are limited funds available and requested a study on whether project income can cover a larger jurisdiction since it appears it is not going to generate income.

Mr. Helfeld indicated that the proposed action does not recommend a redevelopment project area and only establishes a survey area. During the next several months staff will return to the Commission on the Redevelopment Plan together with an analysis of funding and financing projections.

ADOPTION: IT WAS MOVED BY Mr. STERN, SECONDED BY MR. HOM, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-92 BE ADOPTED.

At this time, 5:50 p.m., President Bagot left the meeting and Mr. Hom assumed the Chair.

- (d) Robert Gamble, Deputy Executive Director, Finance, introduced item (d), which requests authorization of Mortgage Revenue Refunding Bonds documents with respect to the refunding of the Mercy Terrace and Mariposa Apartments projects. During the 1980's, the Agency issued numerous multifamily housing revenue bonds for the development of rental projects, at which time interest rates were significantly higher than current prevailing rates. The U.S. Department of Housing and Urban Development (HUD) requires that certain multifamily mortgage revenue bonds be refunded if substantial savings will occur by reduced debt service payments resulting from a lower interest rate on the refunding bonds. New Federal legislation approved earlier this year permits the issuing authority, in this case the Agency, to share in 50 percent of the savings to HUD which must be spent for low-income housing purposes. In April 1992, a Resolution of Intention was approved to issue refunding mortgage revenue bonds for six housing projects as well as transmittal of a request for approval of such bonds to the Board of Supervisors, which was subsequently granted. To date, staff has proceeded to structure the refundings of the Mercy Terrace and Mariposa projects at a projected net value of financial benefit to the Agency of \$1.98 million. The new bond issue, which is tentatively scheduled to close on October 30, 1992, has been approved by the U.S. Department of Housing and Urban Development (HUD) and the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-92 BE ADOPTED.

- (e) James Nybakken, Administrative Services Officer, introduced item (e), which requests authorization of a Personal Services Contract with Shannon Associates in an amount not to exceed \$39,000 for a

Salary and Classification Study of Agency positions. The Budget Analyst's Management Audit and the Controller's Audit recommended that a number of actions be taken regarding Agency staffing, including a salary and classification study to address comparability of Agency positions to City jobs. It is anticipated the study will take four to six months to complete and it will overlap the strategic planning process currently being undertaken which is expected to be completed in the Spring of 1993. Following extensive advertising, nine responses were received to a Request for Proposals and staff recommends awarding the contract to Shannon Associates, a Sacramento-based human resource consulting firm well experienced in classification studies with public entities. Shannon is proposing to joint venture with Nancy J. Leonard, a sole proprietor personnel and management consultant located in Fullerton and Cordoba Corporation, a minority-owned professional corporation with offices in San Francisco. In order for the results to be accepted by the City, concurrence with the final product by the Civil Service Commission is important and a Letter Agreement in an amount not to exceed \$16,500 has been approved for a Civil Service staff member to assist with the study.

Mr. Nybakken introduced John McMillan, Shannon Associates; Randall Martinez and Michael Alcantar, Cordoba Corporation.

The following persons spoke in support of item (e): Elena Branick and David Novogrodsky, representing the International Federation of Professional and Technical Engineers, Local 21.

Ms. Branick indicated that architecture is a very complex process which requires a lot of knowledge and talent. The Agency's architects and engineers are public servants who carry out a multitude of tasks and it is extremely important the consultant be fully experienced in the Agency's type of work because the study will impact the Agency's employees.

Mr. King indicated that it is important all positions be given equal consideration because the clerical workers are just as important as professionals. All positions should be looked at in line with the needs of the Agency.

Mr. Helfeld indicated that this is a total classification study which involves an evaluation of all positions.

Ms. Ong inquired regarding the reason for this expenditure and whether the study could be done by the Agency.

Mr. Helfeld indicated that the study cannot be conducted by the Agency and it is a result of audits by the Controller's Office and the Budget Analyst.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-92 BE ADOPTED.

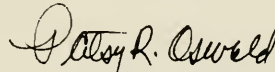
Minutes of a Regular Meeting, September 29, 1992

Acting President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.9 to instruct the Agency's real property negotiator. The property is located at Hunters Point Naval Shipyard and the entity the Agency may negotiate with is the United States Navy.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

November 10, 1992

92

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF OCTOBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of October, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

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and the following was absent:

Ben L. Hom, Vice President (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Richard Noguera, Planning Coordinator, Mission Economic Development Corporation (MEDA); Rosa Rivera, President, 24th Street Merchants Association; Adele Santos, Architect; Paul Friedberg, Landscape Architect; Brenda Berlin, Consultant for the Children's Place in Yerba Buena Center; Helene Freid, Children's Place Committee member; Charmaine Curtis, Catholic Charities; Ned Topham, President of the Cultural Board, Center for the Arts at Yerba Buena Gardens; Olsen Lee and Joel Lipski, Mayor's Office of Housing; Tom Jones, Asian Neighborhood Design; Judith Baker, St. Patrick's Daycare Center; Bob Arenson, District Manager, Walgreen's; B.J. Barron, Tenderloin Neighborhood Development Corporation; Mike Mahoney and Jay Parashis, San Francisco Police Department.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of September 8 and 15, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The next meeting of the Strategic Planning Steering Committee will be held on October 14 at 9:00 a.m.

Minutes of a Regular Meeting, October 13, 1992

- (b) The amount of tax increment monies the Agency is required to turn over to the San Francisco School District is \$561,000. In the near future staff will be bringing a reduced budget before the Commission for consideration and subsequent transmittal to the Mayor and Board of Supervisors.
- (c) The meeting with the City Planning Commission regarding the certification of the Yerba Buena Center Environmental Impact Report has been rescheduled at the request of City Planning to November 12 at 5:30 p.m., Room 282, City Hall.
- (d) The South of Market Business Association will be holding a conference called Cornerstone Conference III "Developing a Strategic Plan for SOMA" on October 15, 1992 at the Sheraton Palace Hotel.
- (e) There will be a meeting of the the Rincon Point-South Beach Citizens' Advisory Committee on October 14 at 4:00 p.m.
- (f) A meeting of the Hunters Point Shipyard Task Force will be held on October 15, 1992, 5:30 p.m., at the Southeast Community College.

Mr. Hom arrived at this time, 4:20 p.m.

- (g) Leamon Abrams, Chief, Economic Development, reported on projections for loan packages to be completed by Urban Economic Development Corporation (UEDC) during the next five months for the Bayview/Hunters Point and Fillmore/Western Addition project areas. He noted that Ray Jones of UEDC is present to respond to questions.

In response to an inquiry from President Bagot, Mr. Abrams indicated that he believes the revisions in the loan criteria have made it easier for UEDC to package loans. Key changes are the expansion of the loan boundaries and relaxation of the underwriting criteria which have increased the pool of eligibility.

President Bagot noted he would like the apparent success of the loan program communicated to Gerald Adams of the San Francisco Examiner and Ingfei Chen of the San Francisco Chronicle.

Mr. Helfeld indicated that there is a big difference between the projections, which indicate the number of businesses applying for loans, and loans actually being secured and President Bagot indicated he would leave it to staff's discretion on how to handle the press.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

Minutes of a Regular Meeting, October 13, 1992

- (a) Authorization to exercise the Agency's Repurchase Option with respect to 1949 O'Farrell Street and to expend funds for the purchase of the unit and pay Homeowner's Association dues in connection with the Affordable Condominium Program in the Western Addition A-2.
- (b) Authorizing an expenditure of funds for the purchase of insurance in an amount not to exceed \$46,753 for the South Beach Harbor; Rincon Point-South Beach.
- (c) Authorizing a one-time waiver of Section IV.D of the Agency's Personnel Policy to allow reinstatement of sick leave lost in 1982 by Joseph Lejarza for retirement service credit purposes only.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 203-92, 204-92 and 205-92, BE ADOPTED.

President Bagot noted that, although there is no technical conflict of interest, he would abstain from voting on Consent Agenda items (d) and (e) because a member of Catholic Charities is on the Board of Directors of the non-profit where he works.

- (d) Authorizing the assignment of all Agency commitments made to Catholic Charities of the Archdiocese of San Francisco for the 1028 Howard Street project to 1028 Howard Street Associates as part of the Citywide Tax Increment Housing Program.
- (e) Authorizing the transfer of all Agency commitments made to Catholic Charities of the Archdiocese of San Francisco for the 1101 Howard Street project to 1101 Howard Street Associates as part of the Citywide Tax Increment Housing Program.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KING, AND CARRIED, WITH PRESIDENT BAGOT ABSTAINING, THAT CONSENT AGENDA ITEMS (e) AND (d), RESOLUTION NUMBERS 206-92 AND 207-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (f) Louis Preston, Assistant Director, Community Services, introduced item (f), which commends and expresses appreciation to Joseph Lejarza upon the occasion of his retirement. Mr. Lejarza has served the Agency for over twenty years, most recently as Affirmative Action Specialist. This opportunity is taken to thank Mr. Lejarza for his dedication and commitment to the Agency's goals and to wish him success in his future endeavors.

The Commissioners expressed appreciation to Mr. Lejarza for his outstanding service to the Agency and wished him success in the future.

Mr. Lejarza thanked the Commissioners for their tributes.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-92 BE ADOPTED.

Ms. Bolanos noted that Mr. Lejarza is the only Hispanic professional on Agency staff and she would like to see the position preserved for someone in the Latino community, however, it is her understanding that it is the Mayor's order that the position be frozen.

Mr. Helfeld indicated that in terms of an appeal staff feels it appropriate to wait until the Agency's 1992-1993 budget has been approved. Staff believes there is a good argument because the U.S. Department of Housing and Urban Development (HUD) has criticized the Agency on its coverage of prevailing wages.

Ms. Bolanos indicated she would like to emphasize to the Commissioners that the Agency's affirmative action goals for calendar year 1992/1993 identified the lack of Hispanic representation on Agency staff.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT STAFF BE INSTRUCTED TO REQUEST THE MAYOR'S OFFICE TO REVERSE THE DECISION ON FREEZING THE POSITION OF AFFIRMATIVE ACTION SPECIALIST AND INDICATE THE COMMISSION'S SUPPORT OF THIS REQUEST.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Ong noted her concern at the apparent lack of liaison between Agency staff and the 24th Street Revitalization Committee (Committee) and indicated she would like favorable consideration given to the Committee's request to hire a new staff person to coordinate the development and implementation of Agency funded programs at a cost of \$30,000, which would be in addition to the \$1 million already approved for the 24th Street program. Furthermore, she considers the Executive Director's response to the request for a consultant, which appears to be perfectly justified, to be insensitive. In addition, Ms. Bolanos should have been consulted regarding the response.

Mr. Helfeld described the background of discussions that had taken place regarding a new staff person and the issues involved. He noted that the Committee has continually raised the question of why the position could not be funded and indicated the program is not moving ahead because there is not an extra staff person, which was challenged by staff. There are many reasons the program may not be moving ahead, not the least of which is trying to negotiate and come to agreement on the ground rules. Consideration should be given to the advisability of adding a new staff person when City staff are being laid off and jobs frozen. In addition, there could be a reaction from other communities that requested additional funds, but were kept within limit. However, if the Commission wishes to modify the \$1 million program then this request can be made to Finance Committee and the full Board of Supervisors.

Ms. Ong indicated that regardless of the job situation in the City, the request is reasonable and she would like an investigation made to see how to assist the Committee in getting the program implemented.

Ms. Bolanos indicated that she was out-of-town when staff responded to Mission Economic Development Corporation (MEDA) regarding justification to hire a new staff person. She was disappointed it was sent without her seeing it because this is a community she has been trying to assist and her concern was communicated to Mr. Helfeld. Initially she had agreed with staff position of not having an additional staff person, however, after visiting 24th Street this past weekend it appears the merchants need assistance in dealing with the necessary paperwork and understanding how the program works so there is a need for the new position, which she would like funded in addition to the \$1 million previously authorized. When approval of \$720,000 by the U.S. Department of Housing and Urban Development (HUD) was not forthcoming for the Community Development Investment Fund (CDIF) in Community Development Grant (CDBG) funds, an exchange of non-tax increment funds from Yerba Buena Center was made available for this purpose and it is proposed that a similar transfer of \$240,000 be made to expedite the loan program as well as a transfer of \$40,000 for public space improvements so there can be a whole package.

Ricardo Noguera, Planning Coordinator, Mission Economic Development Corporation (MEDA), read a letter into the record dated October 13, 1992, from Roberto Barragan, MEDA, addressed to Mr. Helfeld, regarding justification to hire a new staff person for the 24th Street Revitalization project.

Rosa Rivera, President, 24th Street Merchants Association, indicated that there is not a good relationship between the Agency and MEDA and the Revitalization Committee is caught in the middle. There is a need for the Commission to instruct staff to take the necessary steps to implement the program. She indicated that a meeting with the Mayor's Office is scheduled for October 16 to complete the criteria for the loan program.

President Bagot noted that since the August 11, 1992 meeting there has been significant progress in implementing the program and, although he would be open to having staff reconsidering adding a new staff person, he was nervous about going over the \$1 million.

MOTION: IT WAS MOVED BY MS. ONG THAT STAFF BE REQUESTED TO IDENTIFY FUNDS FOR A NEW STAFF PERSON AND HIRE THE CONSULTANT NEEDED, IN ADDITION TO THE \$1 MILLION ALREADY ALLOCATED TO THE 24TH STREET PROGRAM.

Ms. Bolanos indicated she did not consider \$30,000 to be a large amount and there is a need to resolve whether it should come out of the \$1 million or if other funds can be identified.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, THAT THE REQUEST FOR \$30,000, IN ADDITION TO THE \$1 MILLION ALREADY ALLOCATED, BE APPROVED PROVIDING THERE IS NO OTHER ALTERNATIVE.

Mr. Helfeld reiterated his concern regarding the reaction of other communities who have requested additional funding but have had to take it out of the amount allocated.

Mr. Kitahata indicated he believed it inappropriate to increase the funding to 24th Street when the Agency's budget must be reduced by \$561,000.

Mr. Hom indicated that these are difficult times and that to increase the amount beyond the \$1 million would create a dangerous precedent for other communities. He suggested staff bring an alternative solution to the 24th Street problems before the Commission for consideration at the October 20 meeting.

Mr. King noted his support of granting an additional \$30,000 beyond the \$1 million already allocated in order to expedite implementation of the program.

David Madway, Agency General Counsel, indicated that this is not an agenda item and, in accordance with the Brown Act Regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, October 9, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, WITH COMMISSIONERS BAGOT, HOM AND KITAHATA OPPOSING, THAT IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 9, 1992.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED DUE TO THE LACK OF A TWO-THIRDS VOTE.

President Bagot indicated that the matter of an additional \$30,000 for a new staff person would be calendared for consideration at the October 20, 1992 meeting.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), the purpose of which is to provide information on the progress of the Schematic Design for Central Block 3 (CB-3) in Yerba Buena Center. The Schematic Design for the CB-3 buildings and garden is approximately 50 percent complete. The design is based on: the Master Plan, Program and Budget approved by the Commission in April 1992; reviews of the Master Plan and basic architectural approaches with a wide range of community groups and other interested parties; and working sessions with technical advisory committees and operators for each of the major uses.

Architect Adele Santos and Landscape Architect Paul Friedberg made design presentations.

Mr. Kitahata noted the importance of participation by the School District and Brenda Berlin, Consultant for the Children's Place, indicated that the School District will be directly involved in the Children's Place which is designed to be an umbrella for existing arts and educational organizations. Contact has been made with a number of groups about the plans which are based on cross cultural communication and will fill a need in the City.

In response to an inquiry from President Bagot, Ms. Sause indicated that there has been an incorporation of the non-profit with Fei Tsen as President, and Bonnie Fisher and Sue Bierman as officers so the legal requirements are in place. Suggestions from the Commissioners would be helpful regarding persons to be targetted to serve on the Board of Directors for the Children's Place.

In response to an inquiry from President, Bagot, Ms. Berlin indicated that selection is in process of the Board of Directors, who will manage the space, and steps are being taken to ensure the board represents the different communities and interests.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that staff will report on finances after approval of the Agency's 1992-1993 budget.

President Bagot indicated that due to time constraints of representatives of Howard Street Associates, item (n) would now be considered.

President Bagot noted that, although there is no technical conflict of interest, he would abstain from voting on item (n) because a member of Catholic Charities is on the Board of Directors of the non-profit where he works.

- (n) William Rumpf, Chief, Housing Production and Management, introduced item (n), which requests authorization of a Predevelopment Loan, in an amount not to exceed \$50,000, with 1101 Howard Street Associates for the development of property located at the southwest corner of 7th and Howard Streets as part of the 1992-1993 Citywide Tax Increment Housing Program (TIHP). On March 10, 1992 a Regulatory Grant Agreement was approved for \$830,000 with Catholic Charities of the Archdiocese of San Francisco for the acquisition and development of affordable housing on the property located at 1101 Howard Street. Catholic Charities has entered into a Memorandum of Understanding with Sisters of Mercy to collaborate in the development of the project. A limited partnership, 1101 Howard Street Associates, will own the project and Mercy Properties, Inc. will be the Managing General Partner. Catholic Charities staff will continue to provide development services for the project. The requested \$50,000, which has been approved by the TIHP Loan Committee, is being requested to pay for the removal of existing underground

tanks and additional environmental studies which will permit the Developer to renegotiate the purchase contract if the results of the environmental studies indicate unacceptable levels of toxic contamination. Repayment of the predevelopment loan will occur at the time of construction loan closing.

Charmaine Curtis, Catholic Charities, requested approval of item (n). She indicated that if severe problems are encountered with the underground tanks, the Developer will not take title to the land, however, it is believed the tanks are empty or filled with sand so problems are not anticipated.

President Bagot noted his concern that it is his understanding that the Catholic Charities Board is comprised of twenty-four white members.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE DIRECTOR OF CATHOLIC CHARITIES BE REQUESTED TO APPEAR AT THE MEETING OF OCTOBER 20, 1992 TO REPORT ON THE AFFIRMATIVE EFFORTS OF CATHOLIC CHARITIES AND THE COMPOSITION OF ITS BOARD.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. HOM, AND CARRIED, WITH PRESIDENT BAGOT ABSTAINING, THAT RESOLUTION NO. 213-92 BE ADOPTED.

- (h) William Carney, Senior Staff Architect, introduced item (h), which requests authorization of the selection of three artists to serve on the Design Team for Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. Subsequent to the development of a recommended process for selecting the CB-3 artists, an Artist Selection Panel was established. Following review of the work of over thirty artists, five were interviewed and the Panel recommends the selection of Artists Douglas Hollis, Chico MacMurtrie and Lawrence Andrews to work with the Agency's architect and landscape architect to develop the artwork for the CB-3 children's facilities. The artists would be added to the consultant teams working under the architect's design contracts with the Agency. Mr. Andrews, an African-American, is a video and installation artist who creates environments incorporating video and other mixed media. His selection is recommended because the possibility of integrating interactive video, electronic and media elements into the children's facility on CB-3 is of particular interest to the CB-3 designers as a means of exciting the imagination of electronically-literate young audiences. Mr. Hollis, a Caucasian, has had extensive experience with public art and works with natural phenomena and responsive environmental structures, which makes him very well suited to the CB-3 program. Mr. MacMurtrie, an Hispanic, produces robots and other mechanical creations with a combination of technological and human traits with abilities that have proven fascinating to audiences of all ages. Initially each artist would be paid up to \$5,000 to develop site-specific art work proposals for review and approval by the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-92 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), the purpose of which is for a report on the Center for the Arts 1993-1994 budget and authorizing modification of the Center's budget line items in connection with Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (i) WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (j) Mr. Helfeld introduced item (j), the purpose of which is for consideration of Agency participation on the Operating Board of the Center for the Arts in Yerba Buena Center. Staff memorandum to the Commission provides background information, clarifies participation of various interests on the Center's Operating Board, names those who serve, and recommends certain changes to the By-laws. When two Commissioners were appointed to the newly formed Operating Board in 1986, the Agency General Counsel at that time was of the opinion that, although there was no legal prohibition for Commissioners to serve on the Board, they should refrain from direct actions on matters between the Center and the Agency. Commissioners continued to serve on the Board until June 1991 when the current Agency General Counsel expressed concern that because of contractual and budgetary matters between the Center and the Agency, the public could misunderstand the relationship and believe that there could be a conflict of interest. However, the Commission continued to believe that because of the liaison function between the Center and the Agency that participation by the Commission was of great importance to facilitate the informational exchanges between the two entities. It also appeared appropriate to have Agency representatives active on the Board to provide equal interaction between the two Olympia & York (Developer) representatives. After consideration of the options, it was decided that the Center would be requested to amend its By-laws to provide for two voting representatives on the Board who would represent the Agency and that two Commissioners would continue to serve in ex-officio capacities, which is the existing situation. Because of Olympia & York's changed role, it is proposed that the Operating Board be requested to change their By-Laws to delete their inclusion. It is also recommended that the two Agency voting positions, presently filled by Charlotte Berk and Carlos Cordova, and the non-voting Agency Commission positions on the Board be eliminated. It is also recommended that the Center continue the services of Ms. Berk and Mr. Cordova until the next annual Board meeting when the Nominating Committee may consider them for at-large positions. The Management Audit by Beene & Associates indicated that the Center needs more independence from the Agency.

Ned Topham, President of the Board of Directors, Center for the Arts, noted his agreement, in principle, with the Beene report

and staff recommendation on simplifying the Board of Directors and creating it as a "stand alone" self-sufficient organization. However, in the interim, before the Center is in full operation, maintaining a close relationship with the Agency is important so he would request retaining two Commissioners on the Board. The voting status is not a big issue because the board works at arriving at a consensus which has everyone's agreement.

Ms. Bolanos indicated that for the past year and a half she has been extensively involved with the Center and noted her concern that staff is suggesting the role of Commissioners be deleted from the Board without consulting her or the Commission.

Ms. Ong indicated that it appears very appropriate for Commissioners to serve on the Board and requested an explanation for staff recommendation.

David Madway, Agency General Counsel, indicated that his memorandum of September 14, 1992 made it clear he did not see any disability with respect to Agency Commissioners serving on the Board. However, he did see a problem if Commissioners sit on the Board of the Center for the Arts and Commissioners vote their positions as members of that board on matters that come before the Commission. For example, if a vote is taken by the Center to adopt a budget and make a funding request to the Agency, and an Agency Commissioner votes on that matter, then in his view when the matter comes before the Agency Commission, the Commissioners who voted on it should not participate. Moreover, he did not believe that a Commissioner in that situation, a Commissioner who voted as Board member of the Center for the Arts, can attempt to influence the view of any sitting Commissioner on that matter. In summary, a Commissioner in the capacity of a voting member of the Center, should not vote on matters that also come before the Commission because essentially a determination has already been made as a member of the board of the Center.

Mr. Kitahata indicated that he did not see a conflict when there is not a financial interest involved and Mr. Madway indicated that he does not regard this as a matter of conflict but a matter of corporate loyalty.

Following an extensive discussion between the Commissioners and staff, during which the Commissioners noted their concern at staff recommendation to eliminate the two voting Commissioner positions on the Center for the Arts Board, the following resolution was adopted:

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-92 BE ADOPTED. RESOLUTION NO. 216-92 AUTHORIZES THE EXECUTIVE DIRECTOR TO: REQUEST THE CENTER FOR THE ARTS AT YERBA BUENA GARDENS TO CHANGE ITS BY-LAWS TO ESTABLISH TWO VOTING POSITIONS ON THE CENTER'S BOARD FOR AGENCY COMMISSIONERS TO SERVE AS THE REPRESENTATIVES OF THE AGENCY AND THAT COMMISSIONERS BOLANOS AND ONG BE APOINTED TO FILL THOSE POSITIONS AS THE SOLE REPRESENTATIVES OF THE AGENCY

WITH FULL VOTING RIGHTS; AND REQUEST THE CENTER TO CHANGE ITS BY-LAWS TO ELIMINATE BOARD POSITIONS FOR OLYMPIA & YORK.

- (k) Helen Sause, Project Director, Yerba Buena Center, introduced item (k), which requests approval of the process for selection of Cafe Operator/Lessee in connection with Yerba Buena Gardens in Yerba Buena Center. Two cafes currently being constructed above the north Moscone Convention Center lobby as part of the construction of the Esplanade and cultural facilities are scheduled to open next Fall. The selection of operator/lessees must be completed so decisions may be made in a timely manner with regard to fixtures, equipment and furnishings. A Request for Proposals (RFP) has been developed to facilitate the selection of the cafe operator/lessees and describes what the Agency believes the market will be for the cafes, which will require time to get established. In order to make the opportunity known to minority and women-owned operators, involvement of the brokerage community is essential and to encourage such participation, the RFP provides for the payment of \$10,000 brokerage commission per cafe if an operator represented by a real estate broker is selected and a lease is successfully negotiated. Selection criteria in the RFP includes: the appeal and probable success of the proposed food concept given the diverse market the cafes are intended to serve and their unique locations; operator experience in successfully managing and operating similar restaurant operations; financial capacity to undertake the cafe operation. It should be noted that a start-up operation will not be considered qualified given the high rate of restaurants and the potentially difficult start-up period in this untried and relatively unknown location. The proposals will be reviewed by a panel consisting of Agency staff, its consultants and representatives, the restaurant industry and the Center for the Arts. The Commission will be provided with an evaluation of each proposal and recommended operator selections are expected to occur by the end of January 1993.

Ms. Sause responded to questions from the Mr. Kitahata regarding brokerage commission and from Ms. Ong regarding the bid process. She indicated that each bid is sealed so there is no breach of confidentiality and there is an opportunity for all proposers to be present at the bid opening.

Ms. Ong suggested a workshop be held to inform the Commission on bid process procedures in general.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-92 BE ADOPTED.

- (l) William Carney, Senior Staff Architect, introduced item (l), which requests authorization of a contract in an amount of \$1,236,000 with Stole, a Division of Green International, for construction of the East Garden on Central Block 2 (CB-2) in the Yerba Buena Gardens of Yerba Buena Center. Stole's bid, which is \$113,000 below the Architect's construction estimate, was the lowest of five bids received on September 29, 1992 and will

permit the Agency to benefit from a continued favorable bidding climate. The contract provides for construction of all elements of the approved East Garden design and will allow the simultaneous completion of all the Agency's construction on CB-2. The Commissioners have been provided with details of the firm's affirmative action program which indicates over 37 percent participation by woman and minority-owned businesses in the contract. Funds are available in the approved Fiscal Year 1992-1993 Agency budget and include contingency amounts of ten percent above the contract amount which will enable staff to issue change orders in accordance with approved procedures.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-92 BE ADOPTED.

- (m) Phil Westergaard, Real Estate Development Specialist, introduced item (m), which requests authorization of an Owner Participation Agreement (OPA) with Christ Bearers Church (Owner) for the rehabilitation of 1363 Divadero Street located at the southwest corner of Divadero and O'Farrell Streets in the Western Addition A-2. The owner proposes to rehabilitate an existing two-story building on the property, which includes a parking lot adjacent to the building on O'Farrell Street, to accommodate a neighborhood Walgreens drug store on the ground floor, with storage and offices on the second floor. The proposed development has been approved by the Planning Association for Divisadero Street (PADS) on condition no liquor is sold at the store and the Agency has received written confirmation from the Owner's attorney that liquor will not be sold. The OPA schedule calls for commencement of work in approximately nine months and completion in twelve months.

Bob Arenson, District Manager, Walgreens, requested approval of item (m) and indicated that it is not planned to sell alcohol at this location.

Mr. Hom indicated that he believes the presence of Walgreen's will improve the Divisadero Street area.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. HOM, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-92 BE ADOPTED.

- (o) Olsen Lee, Mayor's Office of Housing, introduced item (o), which requests authorization of a Regulatory and Grant or Loan Agreement with Tenderloin Neighborhood Development Corporation (TNDC) in an amount of \$326,000 for the purchase of an existing indebtedness and rehabilitation of 217 Eddy Street, Franciscan Towers, as part of the Citywide Tax Increment Housing Program (TIHP). TNDC purchased the building in 1987 with the assistance of the Mayor's Office of Housing (MOH) in the form of a site acquisition loan of \$1.007 million and two rehabilitation loans of \$883,339 and \$200,000. The existing first mortgage was refinanced in 1988 with a loan from Federal National Mortgage Association (FNMA) in the original principal amount of \$2.480 million. Subsequent to site acquisition cash flow problems have

been experienced and in March 1991 a notice of default was filed by FNMA because principal and interest payments had not been made since December 1, 1990. A financial workout negotiated by TNDC, FNMA and MOH has resulted in agreement for FNMA to sell the outstanding note to the City for \$1.3 million, a 47 percent discount of the outstanding balance. FNMA will waive the delinquent principal and interest payments and any penalties and indicates the proceeds from selling the note will be available for another low income housing loan in San Francisco. The negotiated arrangement will result in the Mayor's Office of Housing and the Agency holding the first mortgage on the property, which will be paid from available cash flow, after making appropriate contributions to project reserves. The \$326,000, which has been approved by the TIHP Loan Committee, is being requested for the purchase of an existing indebtedness and rehabilitation expenses related to the operation of 105 units of rental housing as part of a financial restructuring of the project. The Committee has also approved loans of \$1.174 million from the North of Market Affordable Housing Fund and \$700,000 from the Home Program.

B.J. Barron, TNDC, requested approval of item (o).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-92 BE ADOPTED.

- (p) Joel Lipski, Mayor's Office of Housing, introduced item (p), which requests authorization of a \$2.4 million Loan Agreement with Asian Neighborhood Design for the construction of affordable family rental housing at 555 Ellis Street as part of the Citywide Tax Increment Housing Program (TIHP). In February 1992, the Sponsor obtained a conditional commitment of Community Development Block Grant (CDBG) funds, however, this commitment expired when Rental Housing Construction Program funds were not received leaving a significant financing gap that could only be bridged by increasing the City's level of subsidy if the project were to proceed. In an effort to reduce overall City subsidies, the Sponsors redesigned the project architecturally and financially in order to reapply for Federal Low Income Housing Tax Credits and the Agency granted a \$75,000 predevelopment loan for expenses related to that effort. The requested loan, which has been approved by the TIHP Loan Committee, is for the construction of 38 units of family rental housing. Approval of the loan is contingent upon the Sponsor has obtaining all other necessary construction and permanent financing, including low income housing tax credits. In addition, the Sponsor must provide evidence of at least \$750,000 in private donations towards a capital endowment for the project before funds are disbursed.

Tom Jones, Asian Neighborhood Design, gave an overview of the project and described the facilities and programs planned.

President Bagot left the meeting at this time, 7:25 p.m., and Mr. Hom assumed the Chair.

Minutes of a Regular Meeting, October 13, 1992

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Kitahata regarding a request from the Glenridge Residents Council for \$5 million in additional funding, Jack Robertson, Housing Development Specialist, indicated that it appears the request will be rescinded because of new Federal housing legislation that includes a forty year amortization, which helps that project.

Acting President Hom announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

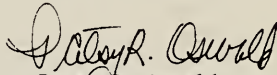
Sixth and Minna Streets in the South of Market with Asian, Inc.; and Hunters Point Naval Shipyard with the United States Navy.

There will also be a Closed Session pursuant to Government Code Section 54956.9(a) concerning pending litigation in regard to Fillmore Center Associates, U.S. Bankruptcy Court, Northern District of California, No. 91-3-4920-LK.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Litigation. The meeting adjourned at 7:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

December 1, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF OCTOBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of October, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Sonia S. Bolanos
Leroy King
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Gary Kitahata (Arrived 4:25 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Mark Filipini, Harding Lawson Associates; Leonard Miller, Don Cox and Shirley Bufard, Department of Toxic Substances Control of the California Environmental Protection Agency; Charmaine Curtis, Catholic Charities; Anne Godfrey, San Francisco Civil Service Commission Management and Employee Development; David Schwartz, Capital Partnerships, Inc.; Aileen Hernandez, Aileen C. Hernandez Associates; Rosa Rivera, President, 24th Street Merchants Association; Mike Mahoney and Jay Parashis, San Francisco Police Department; Ron Bedford; Helen Helfer; Ken Bishop; and Marc Trotz, Mayor's Office of Housing.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of September 22 and the Closed Sessions of August 25, September 1 and September 8, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There are only three items for the October 27, 1992 agenda and staff would like to be apprised of the wishes of the Commission about having a meeting on that date. November 3, 1992 is

Minutes of a Regular Meeting, October 20, 1992

election day, however, at least five Commissioners have indicated they are available to attend the Agency meeting on that date.

It was the consensus of the Commission that the regular meeting of October 27 be held and the regular meeting of November 3 be cancelled.

- (b) The next meeting of the Strategic Planning Committee will be held on October 22 at noon.
- (c) The joint meeting with the City Planning Commission regarding certification of the Yerba Buena Center Environmental Impact Report has been changed at the request of City Planning to December 3 at 5:30 p.m., Room 228, City Hall.
- (d) The Commissioners have been provided with a copy of the Mayor's State of the City Address which praised the Agency's housing program and mentioned the possibility of a merger of the Agency with the Housing Authority. It is believed this is an error and the report should have referred to a merger with the Mayor's Office of Housing.
- (e) On October 14, Friends of Redevelopment met at the new West Bay Community Center in the Western Addition. Commissioners King, Ong and Stern were in attendance.

Mr. Kitahata arrived at this time, 4:25 p.m.

- (f) The Agency will receive \$2 million over the next eleven years as part of the transaction of refinancing two housing developments, Mariposa Terrace and Mercy Towers. The savings, which are shared fifty-fifty with the U.S. Department of Housing and Urban Development (HUD), will be used for affordable housing in San Francisco.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE Agency, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an extension of Exclusive Negotiations, until December 30, 1992, with the Mexican Museum for the purchase and development of a portion of the Central Block 1 (CB-1) Sports Club parcel, located on the northerly side of Mission Street between Third and Fourth Streets; Yerba Buena Center.
- (b) Authorizing a Third Amendment to the Predevelopment Loan Agreement between the Agency and Bernal Heights Housing Corporation which increases the loan amount by \$12,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 217-92 AND 218-92, BE ADOPTED.

- (c) Approving the Agency's 1992-1993 revised Budget for 1992-1993. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, CONSENT AGENDA ITEM (c), RESOLUTION NO. 219-92, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - REGULAR AGENDA

- (d) Public Hearing on the proposed Hazardous Waste Management Plans for the sites located at 1028 Howard Street and 126 Sixth Street, 1009 Mission Street and 514 Minna Street in the South of Market.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialist, introduced item (d), which relates to sites in the South of Market designated for the development of affordable rental housing. Prior to disposition of the properties by the Agency, State law requires State approval of the mitigative measures proposed to minimize exposure to chemicals in the soil during and after construction of the projects. The proposed mitigative measures have already been approved by the San Francisco Department of Public Health. The developers, Asian, Inc. and Catholic Charities, are scheduled to begin construction before the end of the calendar year.

Mark Filipini, Harding Lawson Associates, the Agency's engineering consultant, and Leonard Miller, Department of Toxic Substances Control of the California Environmental Protection Agency, made presentations.

Mr. Miller introduced his associates Don Cox and Shirley Bufard.

In response to an inquiry from President Bagot, Charmaine Curtis, Catholic Charities, indicated that mitigative measures have increased project costs by approximately 10 percent.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

- (e) Jack Robertson, Housing Development Specialist, introduced item (e), which requests authorization of an increase in the amount of a Predevelopment Grant with San Francisco Affordable Housing Preservation Association, Inc., (Association) a nonprofit corporation of the Glenridge Residents' Council, for an amount not to exceed \$58,500 to pay for a U.S. Department of Housing and Urban Development (HUD) 241(f) loan application fee relating to the acquisition of Glenridge Apartments, located at 9 Berkeley Way in Diamond Heights. Glenridge Apartments is a 275-unit project subsidized under the FHA Section 221(d)(3) program. An increase in the previously disbursed predevelopment grant of \$185,655 for expenses related to the Sponsor's proposed

acquisition of the is being requested to pay the application fee for a HUD loan. At the request of the Citywide Housing Loan Committee, staff is evaluating a request for rehabilitation funds of \$1.6 million to determine if such additional funds are needed to adequately renovate the property. In the interim, additional HUD funds are being sought through its "flexible subsidy" program, which theoretically could pay for additional rehabilitation costs not covered by the 241(f) loan. If such funds are approved, no additional Agency funds would be needed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-92 BE ADOPTED.

President Bagot indicated that item (g) would now be taken up.

- (g) Mr. Helfeld introduced item (g), which requests authorization of the issuance of the Community Development Investment Fund (CDIF) Request for Proposals (RFP) in an amount of \$720,000 and authorization of a Personal Services Contract for one staff position for the 24th Street Revitalization Committee in an amount of \$30,000. The 24th Street Revitalization Committee (Committee) is a coalition of community organizations and merchants based in the Mission that has worked for several years toward restoring the 24th Street corridor to its former stature as a retail destination. In January 1992 \$1 million was approved whereby \$720,000 would be allocated to property acquisition; \$240,000 to a Working Capital Loan Fund; and \$40,000 for public space/street improvements. When approval by the U.S. Department of Housing and Urban Development (HUD) was not forthcoming, thereby preventing the use of Community Development Block Grant (CDBG) funds, it was determined feasible to exchange non-tax increment funds from Yerba Buena Center in order to expedite implementation of the program. The \$30,000 for a staff position for the Committee is in addition to the previously approved \$1 million and will be funded through a personal services contract with the Agency. Funding is available from bond fees paid earlier this year but not budgeted and this expenditure is subject to approval by the Mayor and the Board of Supervisors. The job requirements include fluency in English and Spanish and experience in community development and grant writing. The position calls for coordinating the business loan program and marketing the promotion of the 24th Street Loan Program to 24th Street merchants as well as assisting in the preparation of applications for the non-profit applicants of the Community Development Investment Fund. The staff selection will be recommended by the 24th Street Revitalization to the Commission for final approval. The RFP has been reviewed and approved by the appropriate community organizations.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that the request for approval of the new staff position at a cost of \$30,000 has been transmitted to the Mayor and Board of Supervisors and it is anticipated the process will take approximately six weeks.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-92 BE ADOPTED.

- (f) James Nybakken, Administrative Services Officer, introduced item (f), which is a workshop to provide information on the proposed Performance Appraisal System. For the past six months, a joint Union/Management Committee on Evaluation and Work Satisfaction has been working on a number of issues to increase communication among staff on work conditions, training needs, job performance and expectations, supervisory relationships and overall work satisfaction. A major element included in the proposal is a comprehensive re-design of the Agency's performance appraisal process which provides for substantial involvement by employees with their supervisors in defining responsibilities, setting objectives and establishing standards of evaluation. Meet and confer sessions have been held and a vote of the Local 790 membership is scheduled for October 22 on implementation of the system on a trial basis for bargaining unit staff. It will be necessary in the future for the Executive Director to confer with the Commission to set objectives and establish standards of evaluation for the Executive Director and the remainder of staff.

Mr. King noted that Union representatives should be present to participate in discussions on this item.

Mr. Stern noted his concern that all staff be treated equally during the evaluation process.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that one of the audits undertaken indicated that the Agency does not have a systematic evaluation method to assure there is reasonable communication between employee and supervisor.

Anne Godfrey of the San Francisco Civil Service Commission Management and Employee Development made a presentation on the performance appraisal process and responded to questions from the Commissioners. She noted that this is a new system that is being implemented for all boards and commissions in the City and it has been done by two other commissions independently by creating a Task Force or Sub-committee to do an initial draft and report to the other commissioners.

Mr. Helfeld suggested this subject could be part of an agenda for a retreat.

Mr. Stern left the meeting at this time, 5:40 p.m.

- (h) Mr. Kitahata introduced item (h), the purpose of which is to provide a status report on the Strategic Planning process. The Steering Committee, which consists of Commissioners Bolanos, Kitahata and Stern, Kent Sims representing the Mayor's Office, and Supervisor Kennedy representing the Board of Supervisors, has been meeting regularly over the past two months with staff and the Capital Partnerships, Inc. consultant team. The

composition of the Steering Committee was deliberately set so the Mayor's Office and the Board of Supervisors are represented directly as voting members, together with the maximum number of Commissioners to be the majority of the Steering Committee in a non-quorum setting and it recognizes the political reality of the influence of the Mayor's Office and the Board of Supervisors on the Agency's future. The Committee has met five times since approval of the consultants' contract on August 25, 1992, and the work program that was originally sent to all the Commissioners which had five different tasks outlined, represented by working papers, was split into two parts. The Commissioners have been provided with a draft Executive Summary of Working Paper No. 1 and a revised schedule for completion of the Strategic Plan. Originally the plan was to launch directly into the issues of the future, however, the Steering Committee has taken a step back and tried to outline the history of the Agency and how it got to this point. The intent is to try to lay out the context in which the Agency operates because, given the broad scope of its activities, it would be easy to launch into a lot of different issues and the difficult part about the plan is to really focus on what the Agency is and where it should be going which is a very disciplined exercise. The consultants have identified a number of people to serve on focus groups and the idea is to have as broad a range of persons to obtain a variety of opinions.

David Schwartz, Capital Partnerships, Inc., made a presentation on Working Paper No. 1, Situation Assessment, and Aileen Hernandez reported on the focus group process.

Mr. Schwartz indicated the consultants plan to appear before the Commission at the October 27 meeting to provide an opportunity for public comment and there will also be an opportunity for public comment on each of the five working papers before there are public hearings later in the process on a revised mission. The Steering Committee will be meeting on October 29 to take into consideration comments made by the Commission and public at this meeting and the October 27 meeting. Working Paper No. 1 includes: a working summary of California Community Redevelopment Law in reviewing the boundaries for Agency programs and activities; an analysis of the Agency's history to try and get a sense of what has gone right and what has gone wrong in the past; a brief description of the City and County of San Francisco governmental structure as well as relationships between the Agency and other City agencies both inside and outside redevelopment areas; an analysis of the strategic issues and opportunities facing the Agency as well as the Agency's strengths and weaknesses. In an analysis the consultants have been working on with staff there is a problem, depending on assumptions, after more than two to five or possibly six years in terms of tax increment. Based on current levels of housing and economic development programs, there is basically enough money at current funding levels for the next two fiscal years after this year. However, the time period could be extended by five or six years if use of tax increment from the Golden Gateway project area is permitted by the Mayor and the Board of Supervisors. Scenarios

that will be considered are: a two year scenario; a five year scenario if the money is stretched out; a shutdown scenario; and a more aggressive scenario if there is new tax increment or conceivably other sources of funding.

Ms. Hernandez indicated that the consultants have been working on expanding the process beyond the Agency widely into the public. So far approximately 220 persons, with diverse opinions, have been identified to serve on focus groups and it is hoped to find some common ground upon which to build a program.

Ms. Bolanos noted it is important to get the perspective of the Commission which is the governing body and she did not feel that this was happening because not all the Commissioners were interviewed.

Ms. Ong indicated that she has a number of questions regarding the strategic planning process and Mr. Schwartz indicated he believed it would be helpful for the consultants to meet with individual Commissioners to get their detailed comments which will be summarized for feedback to the Steering Committee.

In response to an inquiry from Ms. Ong, Mr. Schwartz noted the City officials that have been interviewed to date and indicated that an interview with the Mayor's Chief of Staff is scheduled for October 22.

Ms. Ong inquired whether it is planned to interview other City commissions and Ms. Hernandez indicated that because of time and fiscal constraints this is not planned. Although these agencies are not part of the focus groups, there are a number of processes through which they can make comments.

Ms. Bolanos indicated that this is only strategic planning on redevelopment and Ms. Ong indicated that there is a need to work within the context of a larger vision of the City, which Mr. Helfeld indicated would prove very costly.

Mr. Kitahata indicated that the question of whether to look at the City overall had arisen in the very beginning of the process and he believed it imperative to focus on the Agency first, rather than a broader City focus because too many issues would get involved.

Mr. Hom indicated that he believes the planning of where the Agency is going is very important, however, he would like to remind the Commissioners that this is a political issue and will be determined by the Mayor who indicated the possibility of a merger of the Agency in the future in his State of the City Address.

Ms. Ong noted her concern that she feels totally alienated from the process because she disagrees with many items in the Working Paper and before there is a public hearing she would like an opportunity for input. The Strategic Plan could become a

justification and rationale for dismantling the Agency, which is in a very vulnerable position because it is running out of money. The City has a citizen Mayor and the report should be instructional on the Agency's strengths and capabilities.

In response to comments by several Commissioners regarding direction from the Mayor's Office, Mr. Helfeld noted that Kent Sims of the Mayor's Office indicated that the Mayor will have a position after the Strategic Plan is completed.

Ms. Bolanos inquired if there had been a systematic process when interviewing the Commissioners in terms of questions asked on the various issues to get an overall impression and if there will be an opportunity to hear everyone's views on particular issues because the Commission is the policy making body.

Mr. Schwartz indicated that there will be an opportunity for this in the future, however, interviews with the Commissioners have not yet been completed which is seen as an ongoing process and permits going back to the Commissioners more than one time.

Mr. Schwartz suggested that the subject of Agency weaknesses, governance focus, could be an agenda item for a retreat planned for the Commissioners with the Executive Director.

Further extensive discussion ensued between the Commissioners, staff and the consultants regarding Working Paper No. 1, with particular emphasis on the sections related to the Agency's strengths and weaknesses and governance focus.

Ms. Bolanos requested a system be set up whereby the Commissioners receive all materials related to the Strategic Planning process and their input is channelled into the process.

President Bagot indicated that before the October 27 meeting the consultant team will meet with individual Commissioners and, if possible, the Commissioners on the Steering Committee, will talk with the other Commissioners.

Mr. Kitahata requested that a Closed Session on Personnel be scheduled for October 27 to discuss the evaluation process for the Executive Director, which relates to the governance focus under the Agency's weaknesses in Working Paper No. 1.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Rosa Rivera, President, on behalf of the 24th Street Revitalization Committee, thanked the Commission and staff for their assistance in implementing the 24th Street Revitalization Program.

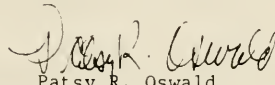
Ms. Bolanos requested that an item on the 24th Street Revitalization Project be included in the Agency's next newsletter.

Minutes of a Regular Meeting, October 20, 1992

ADJOURNMENT

It was moved by Mr. Hom, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

December 8, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF OCTOBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of October, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Sonia S. Bolanos
Leroy King
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Gary Kitahata (Arrived 4:25 p.m.)

The President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director, and staff members were also present.

Also present were: Chairmaine Curtis, Catholic Charities; Debra Wilson, Mella Dee Hoffman and deloris J. Allen, Sixth Street Merchants and Residents Association; Alan Wong, SAsian, Inc.; Tom McKnight, South of Market Foundation; Raymond Colmenar, South of Market Problem Solving Council; John Elberling and Bill Sorro, Tenants and Owners Development Corporation; Frank Perema; Mike Mahoney and Jay Parashis, San Francisco Police Department; Katherine Nash; and Ed Rose, E.M. Rose & Associates.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Mr. King, and unanimously carried that the minutes of the Closed Sessions of September 22 and 29, 1992, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Executive Director Edward Helfeld is on vacation and will return to the office on October 29, 1992.
- (b) A notice in the October 27 Independent Newspaper inadvertently stated that the Agency will hold a hearing today at 4:00 p.m. on the Agency's developments in the Western Addition, Hunters Point

Minutes of a Regular Meeting, October 27, 1992

and the Western Addition project areas, which is the Biennial Public Hearing that has been scheduled for November 24, 1992 at 4:00 p.m.

- (c) It is recommended that item (c), related to an expenditure in connection with the 24th Street Revitalization Program, be continued until agreement is reached on the loan program.

Mr. Kitahata arrived at this time, 4:25 p.m.

- (d) On October 28 at 6:30 p.m., there will be a Special Public Meeting to discuss Kaiser's plans to open a program for the treatment of people with drug and alcohol problems, hopefully in the Fillmore Center. The Commissioners have been provided with a copy of the notice from Kaiser and a description of the program.
- (e) On October 28 at 2:30 p.m. there will be an all Agency Staff Meeting on personal safety, which was prompted by a recent attack on a female Agency employee by three males in the close vicinity of the Agency's offices. Ms. Robin Barrett, Crime Prevention Specialist with Safety Awareness for Everyone (SAFE), will talk to staff regarding steps that can be taken to increase personal safety.
- (f) On October 29 at 2:00 p.m. in Room 228, City Hall, the Select Committee on the Hunters Point Naval Shipyard and Presidio Army Base Closures will be holding a hearing to consider the status of negotiations between the City and the United States Navy regarding the Hunters Point Naval Shipyard. Supervisor Shelley is the Chair of the Committee. The Agency will be represented by: Edward Helfeld, Executive Director; David Madway, Agency General Counsel; and Byron Rhett, Project Coordinator for Hunters Point.
- (g) Staff believes that demolition of the Bulkhead Building in Rincon Point-South Beach will commence on November 2.
- (h) There will not be a regular Agency meeting on November 3. However, a Special Meeting needs to be called regarding the Refinancing Bonds for Fillmore Center. Five Commissioners have agreed to November 4 at 5:00 p.m.
- (i) Mayor Jordan will host an opening on November 4, 4:00 to 6:00 p.m., for a Drop-in Center for homeless alcoholics which has recently opened at 1446 Market Street. The Center is being operated by a non-profit organization known as Chemical Awareness and Treatment Services. The Agency assisted in the project by finding a site and helping negotiate a lease for the Sponsor. This drop-in center is not a treatment center and the Agency is engaged in a site search for a larger treatment facility that will include detox and sober housing units.
- (j) On November 7, there will be an orientation and tour for the new Citizens Advisory Committee members on the Hunters Point Shipyard.

- (k) With regard to the Strategic Planning process, Mayor Jordan has asked that Sidney Unobskey, Chair of the City Planning Commission, to join in the meetings as a non-voting participant and that meetings be changed to fit into his schedule. Also, notice has been sent to the public that comments regarding Working Paper No. 1 will be taken at the Agency meeting of November 10.

Mr. Kitahata indicated that, realizing it is a draft, he had requested the Working Paper be made available to the public for comments. However, because some Commissioners have indicated they do not agree with certain parts of the document, and its release to the public, a review process needs to be implemented.

Ms. Bolanos indicated she had stated her concern, as a matter of policy, at sending the Working Paper out to the public when there has not been an opportunity to discuss it at Committee or Commission level and a consistent process needs to be in place to provide the Commission an opportunity for review and comment before papers are released to the public because they are the governing body.

Following discussion, the following motion was made:

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ANY WORKING PAPERS DRAFTED BY THE STEERING COMMITTEE BE SENT TO THE FULL COMMISSION FOR THEIR REVIEW, COMMENTS AND CONCURRENCE BEFORE THEY ARE RELEASED TO THE PUBLIC.

Mr. Kitahata requested Commissioners' comments on the Draft Working Paper be expedited so they can be reviewed at the next Strategic Planning Committee meeting on November 5.

Mr. Suttle suggested that a notice be attached to the tentative agenda postponing the November 10 hearing until further notice and indicating the Commission will release Working Paper No. 1 after its concurrence. He noted that the tentative agenda had indicated copies of the executive summary are available to anyone and the working papers could be requested from Agency staff. Nine copies of the draft executive summary have been requested and distributed.

NEW BUSINESS

- (a) James Nybakken, Administrative Services Officer, read the resolution into the record and introduced item (a), which Commends and Expresses appreciation to Felicity Tan for her services upon the occasion of her departure from the Redevelopment Agency of the City and County of San Francisco. Ms. Tan, who is relocating from the Bay Area, has served the Agency for almost seventeen years, most recently as a Senior Accountant in the Finance Division. This opportunity is taken to thank Ms. Tan for her dedication and commitment to the Agency's goals and wish her success in her future endeavors.

Ms. Tan thanked the Commission and staff for the recognition and of her services and indicated it has been a pleasure to work for the Agency.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-92 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Development Ground Lease Agreement with 1028 Howard Street Associates; South of Market.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Philip Williams, Housing Development Specialist, introduced item (b), which requests authorization of a Development Groundlease Agreement with 1028 Howard Street Associates for the development of affordable housing at 1028 Howard Street in the South of Market. Howard Street Associates is a limited partnership formed by Catholic Charities of the Archdiocese of San Francisco in collaboration with the Sisters of Mercy to develop thirty affordable family rental units to be rented to very low and low income households. Architectural drawings have been prepared, the necessary financing obtained and the Developer has secured community support for the project. In addition, the Board of Supervisors has approved a Development Groundlease between the Agency and the Developer as required by the California Health and Safety Code because the Agency acquired the property with tax increment funds. The term of the Groundlease Agreement commences on October 27, 1992 and ends ninety nine years from that date. The Developer will pay the Agency \$1 per year for lease of the property and conform to all relevant development requirements of the South of Market Recovery Redevelopment Plan. The Developer has been awarded a reservation of low income housing tax credits by the California Tax Credit Allocation Committee (CTCA) and must commence construction during November 1992 in order to satisfy a CTCA requirement of expending ten percent of the project's budget before December 31, 1992. The Commissioners have been provided with details of the Developer's affirmative action program. At the October 13 meeting the Commission raised a question regarding the ethnic diversity of the Catholic Charities board and the Director was invited to this meeting to discuss the matter, but could not attend. Charmaine Curtis of Catholic Charities is here to respond to questions regarding the project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Williams responded to questions from Mr. Stern regarding the basis for calculating rents for persons at 60 percent of median income.

Mr. Stern requested a presentation be made to the Board of Realtors on affordable housing guidelines and Mr. Williams indicated that staff would follow up on this suggestion.

President Bagot requested staff contact the Housing Authority and the Mayor's Office of Housing regarding a small setaside of project based U.S. Department of Housing and Urban Development (HUD) Section 8 subsidy.

In response to an inquiry from Ms. Ong, Mr. Suttle indicated that the Commissioners have been provided with a copy of a letter from Frank Hudson, General Director and Chief Executive Officer of Catholic Charities, requesting a meeting with Executive Director Edward Helfeld. Upon Mr. Helfeld's return, a meeting will be scheduled so staff can explain the gravity and depth of the Commission's concerns about the composition of the Board of Directors of Catholic Charities.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-92 BE ADOPTED.

- (c) Mr. Suttle introduced item (c), which requests authorization of an expenditure of \$240,000 for the 24th Street Small Business Loan Program and authorizing an expenditure of \$40,000 for public space improvements to construct arches on 24th Street. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 224-92, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 10, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (d), which requests authorization to: amend Resolution No. 161-92 adopted August 11, 1992 regarding a five year lease with Western Commercial Partnership II (WCP II) for office space at 1426 Fillmore Street in the Western Addition A-2 by authorizing up to \$13,000 for additional tenant improvements required by the Agency; and rescind Resolution No. 196-92 adopted September 22, 1992. On August 11, 1992, the leasing of space in the building located at 1426 Fillmore Street was approved for the purpose of providing offices for business incubator and related businesses. Because certain tenant improvements are required before the space can be occupied, the resolution must be amended to provide authorization in the lease for an expenditure of up to \$13,000 to cover such costs. The resolution before the Commission rescinds the resolution adopted September 22, 1992 which authorized a change in suites. The Agency will recoup the cost for the improvements together with the cost for installing any office equipment and furniture, from the Agency's sub-tenants, over the life of the lease and at a rate which will not create a hardship for the incubator businesses.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-92 BE ADOPTED.

- (e) Jack Robertson, Housing Development Specialist, introduced item (e), which is a workshop to review Tenants and Owners Development Corporation's (TODCO) Strategic Plan for the South of Market.

Minutes of a Regular Meeting, October 27, 1992

This workshop will focus on recommendations related primarily to housing in the Sixth Street corridor. In July 1992, TODCO presented the preliminary results of its study emphasizing future economic development activities for the entire South of Market area, including the Sixth Street corridor. In March 1991, a professional services contract was entered into with TODCO in an amount of \$50,000 to provide staffing for the Sixth Street Merchants and Residents Association and to perform several planning studies related to the South of Market project area. As a result TODCO has prepared documents for: a Strategic Plan for the South of Market Redevelopment Plan; an Alternative Future for the South of Market; and a Business Plan entitled "Nonprofit Community Controlled Housing Administration". Although TODCO has substantially completed the scope of work described in the contract, the property management standards that are being developed must be further refined after obtaining input from the community and the Police Department which has "house rules" for SRO operators on Sixth Street. The Commissioners have been provided with a summary of TODCO's major recommendations and staff's comments to those recommendations. A request by TODCO to extend the contract to December 31, 1992 at a cost of \$17,189 will be calendared for Commission consideration at a future meeting. During the proposed extended contract period TODCO would develop: draft Property Management Standards for residential projects in the South of Market; develop single room-occupancy code definitions in conjunction with City Planning, the Bureau of Building Inspection and the Agency; and determine demographic make-up of the project area's resident population by conducting a door-to-door "neighborhood consensus".

John Elberling, TODCO, made a presentation on the Strategic Plan's recommendations and responded to questions from the Commissioners.

The following persons spoke regarding item (e): Debra Wilson, Mella Dee Hoffman, Maisie Murdock and Deloris J. Allen, Sixth Street Merchants and Residents Association (SSMRA); Alan Wong, Asian, Inc.; Tom McKnight, South of Market Foundation; and Raymond Colmenar, South of Market Problem Solving Council.

The speakers noted the need for affordable housing for families and single women in the South of Market.

Mr. Kitahata noted his concern that he would have preferred items in the scope of services be addressed more specifically and any subsequent consulting contract should be focused on deliverance. The Strategic Plan, for the most part, is an advocacy document and should be labelled as such.

Mr. Robertson indicated that the reason staff had not brought a recommendation on extending the contract forward today was to permit input by the Commission. Staff will review the scope of work submitted in the extension to make it more specific in defining exactly what the work product will be.

Ms. Ong noted that the Agency has been criticized with regarding to consulting contracts because of the budget crisis and it will become more and more difficult to make these awards.

President Bagot indicated that he did not believe the Budget Analyst had criticized this type of consulting work but targetted larger items, such as legal contracts and Yerba Buena Center consulting contracts.

Mr. Stern commended the speakers for taking the time to attend the meeting because it is helpful to have a community assist in the planning process to try to develop something on its own.

In response to an inquiry from President Bagot, Mr. Elberling indicated that the Agency does not have a contract with SSMRA. The South of Market Problem Solving Council, the South of Market Foundation and TODCO have collectively donated staff time and been supportive of SSRMA for the functions they need. Funding from the Agency stopped in March 1992 and an extension for three months is needed to finish specific work items.

President Bagot indicated that if SSMRA funding is running out, the Agency should be advised.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos inquired regarding the status of a policy on affirmative action for law firms and David Madway, Agency General Counsel, indicated that a draft plan is being circulated to a number of people and once comments are received from Mara Rosales, Deputy City Attorney and General Counsel to the Airports, a formal presentation will be made to the Commission, possibly at the November 10, 1992 Regular Agency meeting. He noted that Robert Firehock, Deputy General Counsel, recently attended a Minority Counsel Program meeting which, from the Agency's perspective as well as from the perspective of lawyers attending, was a very successful meeting.
- (b) In response to an inquiry from Ms. Bolanos regarding the Croson study and a policy for contracting, Jennifer Bell, Deputy General Counsel, indicated that the process was delayed, partly due to the absence of Ben Hattem, Agency Affirmative Action Officer, for eight months due to illness. However, the final draft of the study is expected shortly.

Ms. Bolanos indicated she wanted to be sure there is input from persons who attended the workshop held in June 1991 on the Croson study, particularly Mara Rosales, Ted Wang and Edith Adame.

Mr. Suttle indicated that the Commissioners would be provided with a progress report.

Minutes of a Regular Meeting, October 27, 1992

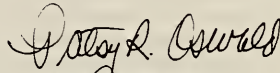
President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.9 (a) concerning pending litigation in regard to Fillmore Center Associates, U.S. Bankruptcy Court, Northern District of California, No. 91-3-4920-LK.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Hom, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on pending litigation and personnel. The meeting adjourned at 6:02 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED

December 22, 1992

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF NOVEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 5:00 o'clock p.m. on the 4th day of November, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Ben L. Hom, Acting President
- Leroy King
- Gary Kitahata
- Cynthia Choy Ong
- Clarence R. Stern

and the following were absent:

- Buck Bagot, President
- Sonia Bolanos

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Willie Ratcliff, Liberty Builders; Eddy Frank, Bob Davis, Kes Narbutas and Tom Numainville, Fillmore Center Associates; Steve Melikian, Arnelle & Hastie; Richard Brown and Leonard (Lefty) Gordon, Ella Hill Hutch Community Center; George Mix, Executive Director, Bay Area Urban League; Merle Miles, Western Addition Concerned Citizens Organization; Orelia Langston, Fillmore Democratic Club; Russell Green; Vera Clanton, Third Baptist Church; Patricia Theophilos, Citicorp; Marcelle Cashmore; Stephen Zovikian, McCutchen, Doyle Brown & Enersen.

Representing the press was: Ingfei Chen, San Francisco Chronicle.

NEW BUSINESS

- (i) Robert Firehock, Deputy General Counsel, introduced item (i), which requests issuance of Redevelopment Agency of the City and County of San Francisco Variable Rate Multifamily Housing Refunding Revenue Bonds in an amount not to exceed \$120 million, in conjunction with a confirmed plan of re-organization pursuant to the U.S. Bankruptcy Court and related actions, in connection with the refinancing of the Fillmore Center Project in the Western Addition A-2. The Agency entered into a Land Disposition Agreement (LDA) in December 1985 with Fillmore Center Developers, now Fillmore Center Associates. After conveyance and commencement of construction the project experienced serious cost overruns and the Developer filed for bankruptcy on November 27, 1991, in the face of a foreclosure action by the construction

lender. During the past year construction of the project has been completed and the developer's management team and the lenders have reached agreement on the terms of a re-organization plan to be presented to the Bankruptcy Court which is contingent upon the refunding of tax-exempt revenue bonds issued by the Agency which would otherwise be redeemed on December 1, 1992. In addition to contributing to the feasibility and value of the project and the chance for lower tier creditors to be paid, there will be a stronger probability of maintaining the 223 affordable dwelling units required as a condition of the original tax-exempt financing and the land sale by the Agency. The major elements of the plan are: using the services of a member of the existing management team for a transition period; creating a new corporation consisting of junior creditors to become the equity owners of the project; and issuing \$108,500,000 in refunding revenue bonds secured by the Lender's letters of credit to pay off the Lender's construction loan and short-term bridge loan principal amounts. The Agency would not be at financial risk, as the bonds would be secured solely by the Lender's letters of credit. Approval of the issuance of the refunding bonds is necessary to confirmation of the creditor's plan by the Court, scheduled for November 6, to assure the greatest possibility of maintaining the affordable units. In addition to approval of the issuance of refunding bonds, this action authorizes the Agency to make all necessary amendments to related documents to conform to the Court confirmed plan of re-organization, such as amending the LDA to admit the new creditor corporation and permitting the Project to be encumbered to secure the bond financing. There is a law suit pending with respect to this project regarding handicapped accessibility. There has been correspondence from the plaintiffs through their attorney suggesting that if the bonds are approved and the Agency seeks to issue them, they would take legal action to preclude issuance of the bonds. They have made certain allegations that the bonds would be illegal and not subject to tax-exempt status in support of their suggested course of taking legal action. The Agency's position is that the issue of handicapped accessibility is before the U.S. District Court and a ruling is expected. To date, there is no finding that the project is in violation of handicapped accessibility requirements, and there certainly is no finding that the Agency is responsible if, in fact, it is in violation. If the court finds the project in violation of handicapped accessibility requirements, then the new owner will have to comply with whatever relief the court requires to be undertaken and the Agency, as the involved public agency, will certainly obey whatever relief or remedies that the court suggests be followed and comply to whatever extent required. If there is a violation of handicapped accessibility requirements, the issuance of the bonds will have no impact because it is a financial transaction which is neutral on that issue. The issuance of the bonds assures local control, maintenance of affordability and a measure of financial stability.

Mr. Firehock responded to questions from Mr. Kitahata regarding the financial reasons for refunding the bonds and from Mr. Stern regarding the composition of the creditor corporation.

In response to an inquiry from Ms. Ong regarding the legality of the bonds, Steve Melikian, Arnelle & Hastie, Co Bond Counsel with Jones Hall Hill & White on the transaction, indicated that the Agency clearly has authority under California law to issue these bonds. With respect to the tax-exempt status, both law firms have been conducting due diligence investigations back to 1985 and 1986 when the bonds were first issued to ensure that the project complies with all requisite Federal tax regulations and, to date, nothing has been revealed that could create problems.

Willie Ratcliff, Liberty Builders, noted the hardship he has experienced because he has not been paid for work he performed at the Fillmore Center amounting to \$352,000 and he would like his money now.

The following persons spoke in support of item (i): Bob Davis, Fillmore Center Associates; Richard Brown, Coordinator of Employment Service Program, Ella Hill Hutch Community Center; George Mix, Executive Director, Bay Area Urban League; Merle Miles, President, Western Addition Concerned Citizens Organization; and Orelia Langston, Fillmore Democratic Club.

Mr. Davis noted the presence of Russell Green, Leonard (Lefty) Gordon, Ella Hill Hutch Community Center, and Vera Clanton, Third Baptist Church, all of whom are here to support this item.

Mr. King noted that he is not concerned about the affordability component because this means nothing if the community is not being protected. There have been many struggles on jobs for minorities and it is important to have a management team that gives continued consideration to input from the community.

In response to Mr. Ratcliff, Ms. Ong indicated that because there are a number of minority contractors, including five African-Americans, who are going to become creditors under the plan, it is impossible to even consider giving special treatment to one contractor and everyone should be treated equally. It is hoped if the bonds are issued and the economy turns around, there will be an opportunity for the creditor corporation participants to share in the equity. With regard to the pending lawsuit by a group represented by Sidney Wolinsky on handicapped accessibility, the only fair way is to let the court make a determination.

Mr. Hom noted his concurrence with Ms. Ong's comments because the handicapped accessibility and the bond transaction are two separate issues. With regard to contractors being paid, there cannot be favors for different contractors under the plan.

Mr. Stern inquired if there has been an agreement worked out between Citicorp and the present management, which is represented

by Bob Davis, to retain his services and Patricia Theophilos, Citicorp, indicated that agreement has been reached with Mr. Davis and the new ownership group to retain his services on a consulting basis. He will have continued interaction with the selected property management group so responsiveness to the community can continue. Ms. Theophilos noted that Citicorp Real Estate and its bank group have always been very supportive of this project and if the bond issue is approved it will be handled in San Francisco rather than out of New York, which would occur if there is a foreclosure situation. Citicorp is the lender and not in charge of overseeing the property management and the new ownership group will select a property manager with input from Citicorp. Preferably it will be a regional property management company with local experience that understands how to work with the community.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Mayor Jordan indicated that the City has a very serious budget deficit of \$150 million to \$200 million. A further report will be made when details are available.
- (b) Mr. Helfeld reported on four proposals received in response to a Request for Qualifications issued for the Central Block 2 (CB-2) Entertainment/Retail site in Yerba Buena Center, which are being reviewed by staff.

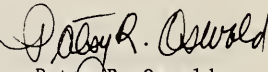
Mr. Kitahata suggested extending the application deadline if it appears that it would be beneficial.

Acting President Hom announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:07 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Special Meeting, November 4, 1992

APPROVED

December 22, 1992

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF NOVEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of November, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ted Dientsfrey, Director, and Marc Trotz, Mayor's Office of Housing; Bob Davis, Fillmore Center Associates; Virginia Conway; Mike Mahoney and Jay Parashis, San Francisco Police Department; Dwight Kinnard, P & K Trucking; Keith M. Malbrens, Prager, McCarthy & Sealy; and Karl A. Jordan, The Metropolitan.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of September 29, 1992, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorization to exercise the Agency's Repurchase Option with respect to 138 Jerrold Avenue, Morgan Heights Condominium Development; Hunters Point.
- (b) Authorizing an Agreement with Metropolitan Ministries permitting use of Agency-owned property at the northeast corner of

Divisadero and Ellis Streets, for the sale of Christmas Trees;
Western Addition A-2.

- (c) Authorizing initiation of a revised Performance Appraisal System.

ADOPTION: IT WAS MOVED BY MS. ONG SECONDED BY MR. HOM, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 227-92, 228-92 AND 229-92, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On November 9, the Board of Supervisors adopted a resolution to add additional land to the South of Market Survey Area.
- (b) On December 3, 1992, there will be a joint meeting with the City Planning Commission regarding the Supplemental Environmental Impact Report (EIR) for Yerba Buena Center.
- (c) Commissioner designate Mark Buell will be before the Administration and Oversight Committee of the Board of Supervisors on November 17, 1992 and possibly before the full Board on November 23 with a swearing-in shortly thereafter.
- (d) A workshop is planned for the November 17 Agency meeting on the proposed amendment to the Agency's Purchasing Policy regarding Minority and Women-Owned Business Enterprise efforts in contracts for legal services.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that the Commissioners will be provided with informational material prior to the workshop.

In response to an inquiry from Ms. Bolanos, Robert Firehock, Deputy General Counsel, indicated that a draft policy is being circulated for comment.

Following discussion, it was the consensus of the Commission that the workshop be postponed to the December 1, 1992 meeting to assure timely and proper notification of interested parties and to permit the Commissioners sufficient time to review the draft policy and comments.

- (e) The Mayor's Office has scheduled the signing of two memorandums of understanding regarding the proposed new federal office building project to be built at 10th and Market Streets for 10:00 a.m. on November 13.
- (f) The Bankruptcy Court confirmed the plan of re-organization for the Fillmore Center Project at its hearing on November 6, after taking testimony that the Agency had authorized approval of the refunding bonds the Commission acted on at a Special Meeting on November 4, 1992. This clears the way for the financial

restructuring of the Fillmore Center, with the consent and cooperation of all parties involved. The transaction will close by December 1, 1992.

- (g) The demolition and clearance of the Pier 42 Bulkhead Building has been completed.
- (h) The Commissioners have been provided with an informational memorandum dated November 9, 1992 transmitting material requested by Ms. Ong on a variety of subjects.
- (i) It is suggested that the Regular Agenda be considered with the exception of item 6 (d), which relates to refunding bonds for the Cathedral Hill Plaza West Project in the Western Addition A-2, because of the need to hold a Closed Session before it is discussed in public.
- (j) Ms. Bolanos noted that she had requested a status report regarding a study which is underway as a result of a hearing held in Hunters Point in June 1991 regarding the Croson decision.

Louis Preston, Assistant Director, Community Services, indicated that the study is in the final stages. Information received from National Economic Research Associates (NERA) is being reviewed and it is hoped to hold a public hearing in January.

In response to an inquiry from Ms. Bolanos regarding contact with interested parties who attended the workshop on the Croson study, Mr. Preston indicated that they will be contacted and invited to comment based on information now available.

Ms. Bolanos requested that Ted Wang be provided with a copy of relevant material.

NEW BUSINESS - REGULAR AGENDA

- (d) President Bagot inquired if there is anyone wishing to speak on item (d), which will be heard as the last item on the agenda.

Bob Davis, Fillmore Center Associates, noted his support of item (d) because he would like to see the project financially sound. He indicated that the Developer has made efforts to involve the entire community and has assisted in bringing the Western Addition together.

- (e) Ted Dientsfrey, Director, Mayor's Office of Housing, introduced item (e), which requests authorization of Amendments to the terms of an Interim Loan Agreement in an amount of \$1.9 million and of a Predevelopment Loan Agreement in an amount of \$75,000 with 201 Turk Street, Limited Partnership, a Joint Venture comprised of Chinese Community Housing Corporation and A.F. Evans, for the development of affordable housing at 201 Turk Street as part of the City-wide Tax Increment Housing Program (TIHP). The Developer is constructing a nine story structure of 175 rental units and underground parking for 56 cars. The ground floor will

include a child-care center, community serving retail and a rear courtyard containing a children's play area. Subsequent to authorization of a \$1.34 million loan in February 1991 for acquisition of the property, a \$75,000 predevelopment loan was approved as well as a \$1.9 million interim loan which was to be paid back by March 31, 1992. However, the repayment date of the interim loan was deferred when it became apparent that, due to delay in the sale of tax credits and a lower than anticipated construction loan, it needed to remain in the project until completion of construction. As a condition of deferring repayment of the interim loan, the Developer agreed to defer its own repayment of expended predevelopment and administrative costs until project completion. The proposed modification, which does not increase the amount of Agency funds being advanced, permits the Developer to receive reimbursement of \$625,000 of predevelopment and administrative expenditures out of available tax credit proceeds during the construction period. With the project under construction and \$14 million of the \$15 million in tax credit equity raised, as well as toxics successfully remedied at a cost within budget, the financial condition of the project has improved considerably. The proposed loan amendments have been approved by the TIHP Loan Committee. Approval by the Commission is subject to approval by Wells Fargo, the construction lender, and by the State which has put an enormous amount of money into this development.

In response to inquiries from Mr. Stern, Mr. Dientsfrey indicated that total project cost is \$36 million and approximately \$700,000 has been provided by the Mayor's Office of Housing. He described other housing projects underway in the Tenderloin area.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (k) The Commissioners have been provided with informational memorandums on the "Status of Development Sites in Yerba Buena Center" and the "Proposed uses, marketing strategy and schedule for development of Parcels 2A and 2C in Yerba Buena Center". There are presently four sites designated for office buildings and since it appears that it will be many years before the office market turns around, staff is suggesting that other uses be looked at for Parcels 2A and 2C which have been removed from the Development and Disposition Agreement with Yerba Buena Gardens, L.P. The potential for housing and hotel uses has been considered for both parcels. Parcel 2C was originally designated for market rate housing, however, its use was modified to an office building as part of the re-arrangement of the transaction with Yerba Buena Gardens, L.P. Following evaluation, staff has concluded that its marketability has increased and, since there has been significant interest for condominiums, staff believes it would be appropriate to seek proposals for that use on Parcel 2C. With regard to Parcel 2A, there are complications because of the Williams Building which was heavily damaged in the October

1989 earthquake and is boarded up at this point. Since then efforts have been made to have the Federal Emergency Management Agency (FEMA) provide funds to bring it up to seismic safety. When this matter is resolved, hopefully in the next ten to twelve months, other uses can be considered for the site which has the potential for both housing and hotel uses. That leaves two sites for office use, one of which is under option to Yerba Buena Gardens, L.P. and Griffin/Related Properties has an extension on the other.

President Bagot suggested a workshop be held to provide an opportunity for public comment on the housing use as opposed to office use and discuss the changing market. In addition, the public can be reminded that this is money the Commission has targetted for completion of Central Block 3 (CB-3). He suggested that, given the Bay Area's new "clout" in congress, the new congressional delegation be approached to use its influence in Washington, D.C. to expedite a decision by FEMA on the Williams Building.

Mr. Helfeld indicated that if the funds are not provided by FEMA it is inevitable the Williams Building will be torn down, which would make it a more marketable site. However, the Agency has had a long standing commitment to the historic preservation of that building so the matter has been diligently pursued with FEMA.

Mr. Kitahata indicated it was his understanding the proceeds from Parcels 2A and 2C would be used to retire the Agency's outstanding debt.

Mr. Helfeld indicated that this is correct and essentially the proceeds from the two parcels are pledged toward retiring the \$30 million General Obligation Bond debt and not for the completion of CB-3 as indicated by Mr. Bagot.

Mr. Kitahata indicated he would like the workshop to include discussion on the trade-offs between different levels of FEMA reimbursement versus making a decision about the market value of that property. Namely, if the Agency is going to look at all of its assets and determine what the net proceeds are going to be and if it is going to be a situation of conceivably putting money into historic preservation then all factors have to be weighed. The highest and best economic use for Parcel 2A needs to be discussed in public in that context.

Ms. Ong suggested the Executive Director write to Senators Boxer and Feinstein to lobby for FEMA money to retrofit the Williams Building. It is not always a question of what is the best economic use because it is not always money that makes a place a living spot. She indicated she believes hotel or market rate condominium uses would be a good way to make sure it becomes a living center that people will have their eyes on in the evening and not like the Civic Center which becomes dead after 5:00 p.m. and dangerous.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted his concern regarding the status of the Hunters Point Naval Shipyard in terms of Agency/City negotiations. In view of the Bay Area's new "clout" in congress, it is important to develop what the grand vision plan should be for the Shipyard. An article in the San Francisco Examiner talked about a lack of vision and the length of time it is going to take to deal with the Shipyard. It is going to take a long time, but it is going to take even longer unless a plan is developed indicating what it is desired to see there and the speed with which it would happen. The Examiner article indicated that Board of Supervisors' Ad Hoc Committee that was formed were shocked about how complex the problem is and how much money and time it is going to take to figure out a plan for detoxing the whole area. If there is ever going to be a window open to press the powers that be for a funding plan to detox the area and readying it for development this is the time. There are a whole range of intricate issues involved, such as funding for decontamination, and there has to be a driving force by a public agency with the jurisdiction and mandate to do something.

Ms. Ong indicated she would like to see the Agency spearhead that effort.

Mr. King noted his concern about the Agency proceeding with anything without discussions with the Bayview/Hunters Point community and the rest of the City. The community is against redevelopment and if they hear redevelopment is setting up an aggressive plan for the Shipyard there will be trouble. The Agency cannot begin to project itself over the Mayor and the Board of Supervisors and Congresswoman Pelosi who had been guiding this through the legislative process.

Mr. Hom noted that there had been a hearing on the Shipyard and he had also discussed it with Supervisor Shelley who indicated he would like the Agency to have a lot of involvement with a vision for this huge site, which is two percent of San Francisco's entire area. The Supervisor desires, as do the Commission, to see San Francisco develop into a better City. Mr. Hom noted his concurrence with Mr. Kitahata on a more intensified communication with the Board of Supervisors, the Mayor's Office and other Commissions to spearhead the efforts to get things done and he believes commencement of a very heavy investigation by the Agency is warranted at this time.

In response to an inquiry from Mr. Stern regarding the lead agency for the Shipyard, Mr. Helfeld indicated that he did not recall if there was anything in writing, however, the previous Mayor and current administration had asked the Agency to spearhead the negotiations. After a hearing by Supervisor Shelley there was somewhat of a modification of that and there now seems to be a much larger group of forces, so it is not clear who has the lead. He noted that there will be a meeting on November 11 of all City Departments and it is suggested Mr.

Kitahata's suggestion be brought forward that the City ought to seek assistance from the new congressional delegation for funds to expedite the agenda. A land use planning procedure with the community has already started which ought to move ahead.

Ms. Bolanos noted that Agency is assisting by providing staff resources but not helping move the process along with technical assistance to address issues of uses and economic development strategies, which would be her recommendation.

Ms. Ong noted her concurrence with Ms. Bolanos and indicated she believes the Agency can assist the Neighborhood Task Force and aggressively seek to become the lead agency for this.

Mr. Kitahata indicated that he is not saying the Agency should take over the planning process from existing community groups. The planning process is irrelevant at this time because until the timetable is known for cleaning the site and the land available for development is known, it is counter-productive to raise expectations by suggesting what can be put on the land because it will literally be decades before the land is available for use. From discussions with staff it appears the important thing to do right now is to determine the environmental condition and the inventory of the land, which is a redevelopment technical type of function, and then figure out the land uses.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Virginia Conway noted that she had requested the Agency appropriate funds for Channel 32 to advertise in the television guide and President Bagot indicated that the Executive Director would report back on this matter.

Ms. Conway requested that consideration be given to the inclusion of an aquarium in the plans for the Hunters Point Naval Shipyard, which will promote tourism and job stability.

- (b) Dwight Kinnard, P & K Trucking, noted that there is a company that is interested in using drydocks at the Hunters Point Naval Shipyard to load ships for overseas. The Mayor has been approached and is undecided about this because of the toxic waste. If there is no nuclear waste then there is a place in Martinez that will take solvents and oils and items of that nature.

MATTERS NOT APPEARING ON AGENDA

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is the Cathedral Hill Plaza West Project in the Western Addition A-2 and the entity the Agency may negotiate with is Western Commercial Partnership I.

Minutes of a Regular Meeting, November 10, 1992

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, November 6, 1992. Pursuant to Section 54954.2(b)(2) of the Brown Act, a two thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. HOM, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON NOVEMBER 6, 1992.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:15 p.m.

RECONVENED

At this time, 5:35 p.m., the meeting reconvened back to the Regular Session with the same roll call.

NEW BUSINESS (Continued)

- (d) Robert Firehock, Deputy General Counsel, introduced item (d), which requests authorization of an amendment to the Indenture of Trust and the Loan Origination and Servicing Agreement relating to the Redevelopment Agency of the City and County of San Francisco Multifamily Collateralized Housing Revenue Bonds, 1985 Issue C, in connection with the Cathedral Hill Plaza West Project in the Western Addition A-2. In connection with a Land Disposition Agreement (LDA), authorized in 1985 with Western Commercial Partnership I (WCP I) for the development of Cathedral Hill Plaza West, now known as Webster Tower and Terrace, the Agency issued \$24.45 million of tax-exempt mortgage revenue bonds secured by a Mercury Savings and Loan Association Letter of Credit to provide permanent financing for the project. Mercury has been seized by the Resolution Trust Corporation (RTC) and the existing Letter of Credit will expire on January 1, 1993 unless extended. Expiration of the Letter of Credit will cause the redemption of the bonds and possible foreclosure on the project, which would result in the loss of the 20 percent affordable units provided as a requirement of Federal and State tax law as a condition to the tax-exempt financing. RTC and the Developer reached an agreement to extend the Letter of Credit for three years and the Agency has agreed to amend the Indenture to provide for a variable short-term interest rate on the bonds. Permitting the lower variable rate tax-exempt financing will contribute to the value of the project and result in debt service savings. Also, the likelihood of maintaining the affordable units required as a condition of the original tax-exempt financing will be increased and the period during which they are required will be extended. The final maturity of the bonds is 2007 with an affordable period until February 2000. The Commission and the

Developer agreed to a two year extension, which would extend the minimum period for affordability to February 2002.

Ted Dientsfrey, Director, Mayor's Office of Housing, apologized for appearing before the Commission at such short notice to address this item, part of which is due perhaps to the inability of the Mayor's Office of Housing to fully understand the implications of all the issues. The Mayor's Office is working with the Agency's Executive Director so in the future these issues can be identified earlier. There is a matter of policy involved and it is the Mayor's position that as long as there is tax-exempt bond financing there ought to be the same period of affordability. However, the Commission must act as they see fit, given the history of the project.

Ms. Ong indicated that, with all due respect to the Mayor, the matter has been considered and decided upon by the Commission in Closed Session and to go back on that decision would be a breach of a prior agreement. In the future the Commission will be very conscious of the Mayor's position, however, starting in January 1993 new State law will require affordability remain in a project while bonds are still outstanding.

Mr. Kitahata indicated that he supports the development and proposed financing, however, he would vote against this item because it is a policy error to exempt the Developer from having to keep the affordable units after 2002 if the bonds are still outstanding.

President Bagot noted his concurrence with Mr. Kitahata.

Mr. King noted that, as clearly indicated by Ms. Ong, a decision has been made on this matter. There are questions about the affordability aspect because to people with regular jobs 80 percent of median income is not affordable and if too much burden is put on developers, the projects fail. He supports assisting this project continue because it has been an asset to the community and the Developer has played a good role in revitalization of the whole Western Addition.

Mr. Stern noted that if the Developer finds a buyer or investor after 2002 there will be an opportunity for infusion of cash into the project, which probably would not occur with the affordability restrictions in place. He indicated that he supports eliminating the affordability requirements, as proposed, because it places too much of a burden on the Developer.

President Bagot noted his concern that some of the Commissioners support special favors and deals for developers close to the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND CARRIED, WITH COMMISSIONERS BAGOT, BOLANOS AND KITAHATA OPPOSING, THAT RESOLUTION NO. 230-92 BE ADOPTED.

Minutes of a Regular Meeting, November 10, 1992

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

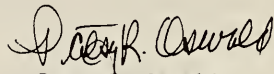
Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

Central Block 2 (Entertainment/Retail) in the Yerba Buena Gardens of Yerba Buena Center with Madison Realty Partnership, Constructa, Inc., Oliver McMillan, and YBR Associates.

ADJOURNMENT

It was moved by MR. Hom, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

December 22, 1992

JAN 6 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF NOVEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of November, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Ben L. Hom, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Sonia S. Bolanos (Arrived 4:15 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Barbara Bagot-Lopez; Ben Ron, Martin M. Ron Associates; Katherine Nash; Daniel Reidy and Mark Hamilton, Housing Conservation and Development Corporation; Roberto Barragan, Mission Economic Development Association (MEDA); Wilbert S. Weston, III, representing Charlie Walker and the First Family of Kuwait; Morris Phillips, Fillmore Market Place Associates; and Dwight Kinnard, P & K Trucking.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE PRESIDENT

President Bagot reported that on November 17, the Administration and Oversight Committee of the Board of Supervisors rejected the Mayor's nominee to the Redevelopment Agency Commission.

Ms. Bolanos arrived at this time, 4:15 p.m.

President Bagot left the meeting at 4:15 p.m. and Mr. Hom assumed the Chair.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On December 3, 5:30 p.m., there will be a joint meeting with the City Planning Commission regarding the Supplemental Environmental Impact Report (EIR) for Yerba Buena Center.

President Bagot returned to the meeting at this time, 4:20 p.m., and resumed the Chair.

- (b) The San Francisco Board of Realists will be awarding their Annual Fair Housing Award to Senior Deputy Executive Director Gene Suttle on November 21 at 6:00 p.m.
- (c) On November 13, a Memorandum of Understanding was signed by Mayor Jordan, representatives of the General Services Administration (GSA) and Bank of America, and the Executive Director of the Redevelopment Agency in connection with the new Federal office building to be constructed at 10th and Market Streets. Commissioners Hom, Bolanos and Stern were in attendance as well as number of City Officials and congressional delegates.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that an analysis of the economic benefits to be derived from the GSA building has been prepared by the Mayor's Office of Economic Planning and Development, which will be provided to the Commission.

Mr. Kitahata indicated he is interested in information on the net new jobs and tax revenues and the fiscal impact on the Agency's budget as well as alternatives available for receiving compensation from the Federal Government, such as a lease purchase agreement or federal property in exchange for the land the Agency is contributing.

Mr. Helfeld indicated that, although this would be very desirable, GSA has been firm that this land has to be contributed with no strings attached or there will be no office building.

Mr. King noted that this matter has been discussed by the Commission and agreement reached that the Agency would contribute the land.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated staff will pursue the Agency having input into the planning and design of the building. In addition, he would transmit Mr. Kitahata's comments to Congresswoman Pelosi's office.

Mr. King indicated that one Commissioner cannot make a request without it being the position of the whole Commission and it should be calendared as an agenda item for discussion. This building is important because of the jobs it will generate.

Mr. Kitahata indicated he agreed it should be an agenda item and that it should be the position of the Commission to go after every single dollar.

Mr. Stern indicated the congressional delegates had complimented Mayor Jordan on the arrangements that have been made and this is seen as a friendly posture. Jobs will be generated and the City is very fortunate to have this building in San Francisco.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Third Amendment to the Personal Services Contract, RPSB E-6 SURVEYS, with Martin M. Ron Associates, which increases the contract by an amount not to exceed \$30,000 for surveying services; Rincon Point-South Beach.
- (b) Authorizing a \$243,272 increase in the amount of a Predevelopment Loan with GP/TODCO related to the development of affordable housing located on Agency-owned property at 241 Sixth Street; South of Market.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 232-92 AND 233-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) William Rumpf, Chief, Housing Production and Management introduced item (c), which requests authorization of an extension of Exclusive Negotiations, until January 27, 1993, with Housing Conservation and Development Corporation (HCDC) for the development of an affordable homeownership housing project on Site HH-1, Hunters Point School Site, located on the southeast corner of Ingalls Street and Kiska Road, in and adjacent to the Hunters Point Redevelopment Project Area. Subsequent to authorization of Exclusive Negotiations in October 1991, a proposed commercial component has been eliminated because it appeared it would not be economically viable and much of the need for commercial uses in the area has been met with the leasing of Bayview Plaza and the opening of the Cala Supermarket. The project, as refined, consists of 39 first-time buyer units comprised of 16 two-bedroom duplex units and 23 three-bedroom townhouses affordable to a high percentage of buyers at the 80 percent of median income level, with some buyers possibly at 100 percent of median. Since the last time an extension was granted, substantial progress has been made and most of the requirements of the exclusives have been met, including submission of concept drawings acceptable to the Agency and the City Planning Department. A Request for Qualifications has been issued to select a general contractor and the Developer is negotiating with several banks in efforts to secure construction financing. It is

anticipated that by the end of the requested extension period a Land Disposition Agreement (LDA) will be entered into with the Agency for development of the site. A predevelopment loan in an amount of \$75,000 provided by the Agency was subsequently amended to allow the developer to expend some of the funds to cover the cost of submitting an Environmental Application to the City. The Agency has reserved \$1 million from its 1991-1992 budget for the project and the Developer is seeking an additional \$1 million to meet affordability goals. The \$1 million request in the Agency's 1992-1993 budget was not approved by the Mayor's Office, however, the Developer expects to request these additional subsidies from the 1993-1994 budget.

Daniel Reidy, HCD, gave a status report on the project.

In response to an inquiry from Mr. Hom, Mr. Reidy indicated that Wells Fargo has expressed an interest in providing construction financing for the project.

In response to an inquiry from Ms. Ong, Mr. Reidy named the three finalists in the general contractor selection process.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-92 BE ADOPTED.

- (d) Leamon Abrams, Chief, Economic Development, introduced item (d), which requests authorization of an expenditure of \$240,000 for the 24th Street Small Business Loan Program and authorization of an expenditure of \$40,000 for public space improvements to construct entryways on 24th Street. In January 1992, the Board of Supervisors approved an amendment to the Agency's budget to add \$1 million and to increase the Agency's tax allocation by \$100,000 in order to fund the 24th Street Revitalization and Economic Development Program. Funding of \$720,000 and issuance of a Request for Proposals (RFP) have already been authorized for the site acquisition component and approval of the loan program in an amount of \$240,000 and \$40,000 for public space improvements is now recommended. The loan program is to be centrally administered by the Mayor's Office of Economic Planning and Development (MOEPD) and the 24th Street Revitalization Committee's Physical Improvements and Preservation Sub-Committee will be responsible for designing the public space improvements. The service provider for the loan program will be Mission Economic Development Association (MEDA) who will be the sole source for all loan packages, which will not exceed \$35,000 each. Since approval to use Community Development Block Grant (CDBG) funds for the program has not been forthcoming from the U.S. Department of Housing and Urban Development (HUD), staff has exchanged a total of \$240,000 CDBG funds in non-CDBG, non tax increment funds for the loan program, which method was used for the \$720,000 Community Development Investment Fund (CDIF). While this negates the need for HUD approval, the Loan Program guidelines and underwriting criteria are well within the parameters of the CDBG program. The 24th Street Revitalization Committee has agreed to the proposed program on a trial basis and

if after three months it appears an insufficient number of merchants will be able to access funds for the program, the Committee will return with recommendations for modification of the program. Staff supports this approach and Kent Sims of MOEPD has agreed that, if found necessary, a program modification would be feasible. The \$40,000 to install entryways on 24th Street at Mission and Potrero would be supplemented by \$36,000 from the Mayor's Office of Community Development. Staff has exchanged the CDBG funds allocated for this component for non-CDBG, non tax increment funds.

Lucia Mele, Economic Development Specialist, described the modified loan program in detail.

Ms. Bolanos expressed appreciation to the Commission and staff for their support of the project.

Ms. Mele noted that Ricardo Noguera of MEDA had planned to be at this meeting, however, he has been involved in an accident, which has precluded his attendance.

Ms. Bolanos noted her concern that the Commission would not have design review and approval of the arches and the architect.

Following a discussion between the Commissioners and staff, the following motion was made:

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-92 BE AMENDED TO INDICATE THAT THE EXPENDITURE OF \$40,000 FOR THE CONSTRUCTION OF ENTRYWAYS ON 24TH STREET BE SUBJECT TO COMMISSION APPROVAL OF THE SELECTION OF THE ARCHITECT AND THE DESIGN.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-92, AS AMENDED, BE ADOPTED.

- (e) Robert Gamble, Deputy Executive Director, Finance, introduced item (e), which requests authorization of an Amendment to the Agency's 1992-1993 budget resulting from State Budget reductions. The proposed amendment is a result of new State legislation whereby the Agency is required to reduce its existing budget by paying \$561,000 to the School and Community College Districts. Staff has analyzed current and past years' budgets to determine where cuts could be made which would have the least impact on the Agency's principal programs and it has been attempted to locate funds which are not needed immediately or those which can be eliminated due to changes in circumstances. The proposed reductions are: savings from the East Garden in Yerba Buena Center due to the selected bid for its construction being approximately \$100,000 under the budgeted amount; \$200,000 budgeted for economic development which is not needed immediately; \$175,000 for toxic analyses in Rincon Point-South Beach which it is not expected will be needed during the current fiscal year; and \$86,000 budgeted for improvements on Pier 40

which staff believes can be paid for from old bond monies available from South Beach Harbor area improvements. Upon approval by the Commission, a revised budget reflecting these reductions will be submitted to the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. HOM, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-92 BE ADOPTED.

At this time, 5:30 p.m., President Bagot turned the Chair over to Mr. Hom.

- (f) Acting President Hom introduced item (f), which commends and expresses appreciation to Buck Bagot for his service as a Commissioner of the Redevelopment Agency of the City and County of San Francisco from September 1988 to November 1992. Mr. Bagot served as President of the Commission from 1991 to 1992 and during his tenure the Agency has established the Citywide Tax Increment Housing Program, which committed more than \$40 million of its tax increment funds for low- and moderate-income housing and has funded more than 2,000 affordable housing units. He has been a strong advocate for citizen participation in redevelopment efforts and for building the capacity of non-profit housing development corporations in the City. This opportunity is taken to thank Mr. Bagot for his dedicated efforts to further the Agency's program and wish him success in his future endeavors.

Mr. Hom read the resolution into the record.

At this time, 5:35 p.m., President Bagot resumed the Chair.

President Bagot indicated that the Mayor has requested he relinquish the Presidency of the Commission and that elections for President and Vice President be held at the November 24, 1992 meeting, however, he would remain on the Commission until a replacement is appointed.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-92 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong referred to staff informational memorandum regarding the Semi-Annual Report on Personal Services Contracts Awarded Administratively and requested the reports continue but that they contain more detailed information so the Commissioners can ensure the contracts are being distributed in an equitable manner.

Mr. Hom noted his concurrence with Ms. Ong's request, particularly since it will be helpful to the new Commissioners.

Ms. Ong requested clarification on how the Agency's Purchasing Policy Addressing Contracts for Legal Services differs from past policy and why goals are not included to select a number of minority firms because she would like to see some commitment by the Agency on affirmative action.

Ms. Bolanos indicated that it would have been helpful to the new Commissioners if an introduction had been included because they are not aware of the issues. She noted her concern regarding the approach and rationale and that there is not a clear delineated policy statement. She indicated she would incorporate her comments in a memorandum after further review of the material, which she would like re-written to include an introduction and background.

Mr. Helfeld indicated that staff will take the Commissioners' comments into account, however, it would be constructive to raise these issues at the workshop planned for December 1. This is only a draft and not a final document.

Ms. Ong indicated that in setting up a Legal Services Policy, a wider range of information needs to be provided to give a picture of the legal consultant, such as names, the term of the contract, the amount of the contract and how much earned.

Mr. Helfeld indicated that staff would report back to the Commission on the issues raised.

- (b) In response to an inquiry from Mr. Kitahata, Robert Gamble, Deputy Executive Director, Finance, indicated that staff is monitoring the proceedings of the Joint Task Force appointed by the Mayor to resolve the City's fiscal crisis and keep in contact through informal means.

Mr. Kitahata indicated that direct monitoring is important because it has strategic implications on the Agency's future.

- (c) Mr. Kitahata indicated that an article in the November 15 issue of the San Francisco Examiner notes the lack of movement with the Hunters Point Naval Shipyard and he and would like to see the process accelerated.

A general discussion ensued between the Commissioners regarding the Shipyard and the need for clarification of the Agency's role, following which Mr. Hom indicated there will be a workshop in the near future on the Shipyard when all issues can be raised.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED ITEMS

- (a) Wilbert J. Weston III, GG International, representing Charlie Walker and the First Family of Kuwait, requested a proposal to develop a hotel and related amenities on Parcel 732B located at Eddy, Fillmore and Webster Streets in the Western Addition be calendared as an agenda item.

Morris Phillips, Fillmore Marketplace Associates, noted that a letter had been sent to the Agency recently requesting an increase in the predevelopment loan for the development on the block mentioned by Mr. Weston and he would like this request considered as soon as possible.

Minutes of a Regular Meeting, November 17, 1992

President Bagot indicated that staff will report back on this matter.

Mr. Helfeld indicated it should be made clear that the Agency has contractual obligations on that property.

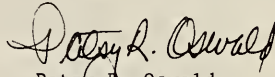
- (b) Roberto Barragan, Mission Economic Development Association, expressed appreciation to the Commission and staff for their assistance in moving the 24th Street program forward.
- (c) Dwight Kinnard, P & K Trucking, requested that he be notified when the workshop on the Hunters Point Naval Shipyard is scheduled.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy A. Oswald
Agency Secretary

APPROVED

December 22, 1992

JAN 6 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF NOVEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of November, 1992, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Ben L. Hom, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Buck Bagot, President

The Acting President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director and staff members were also present.

Also present were: Supervisors Kevin Shelley and Tom Hsieh; Mrs. Ben Hom; Glen Tom, President, Chinatown Merchants Association; Melvin Lee; Bernard Choden; Joe Donahue, Residential Builders; Edith McMillan; Pam Smith; Ted Dientsfey, Director, Mayor's Office of Housing; Fred Hubbard; Norman Stewart; Robert Reece; Joanne and Ming Dear; Rich Traverso; Patrick Wong; Moon Tam; and Patricia Gee.

Representing the press was: Gerald Adams, San Francisco Examiner.

ELECTION OF OFFICERS

At this time 4:07 p.m., Mr. Hom turned the Chair over to Mr. King.

Mr. King announced that Mr. Bagot has resigned as President of the Commission but will remain as a Commissioner until a replacement is appointed.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT MR. HOM BE ELECTED PRESIDENT.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT MS. ONG BE ELECTED VICE PRESIDENT.

Mr. King indicated that it will be a pleasure to serve under the leadership of Mr. Hom and Ms. Ong.

At this time 4:15 p.m., Mr. King turned the Chair back to Mr. Hom.

Mr. Hom noted that Mr. King has served as a Commissioner for twelve years during the terms of three Mayors, which is quite an accomplishment. He recognized the presence of Supervisors Kevin Shelley and Tom Hsieh, former Agency Commissioner Melvin Lee, members of his family and of the Chinatown community. Mr. Hom indicated that in the long term the Strategic Plan now in process will assist in determining the Agency's future but at this time a great deal can be accomplished, even in this depressed economy. By increasing efficiency and lowering costs, better service will be provided to the community through creative financing goals. All efforts will be made to generate affordable housing by assisting developers who have been ready to move forward for years except for financing, even if the Agency has to modify some of its own rules. It is important that large projects, such as the Gap and new Federal Office Building move forward as soon as possible, but it is also important to get smaller developments moving forward. There are many opportunities, such as the South Bayshore and the Hunters Point Naval Shipyard, which will require vision.

Ms. Ong noted her concurrence with Mr. Hom's comments and indicated she looks forward to the Commission working as a unified team.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an Eighth Amendment which revises the performance schedule and extends the absolute conveyance date of the Agreement for Disposition of Land for development with Sprincin Development Partners IX for the property located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.
- (b) Authorizing a contract for messenger services with On-Target Delivery Service.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 238-92 AND 239-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

Items (c), (d), (e) and (f).

Mr. Suttle indicated that pursuant to California Community Redevelopment Law Section 33348.5, the Agency is required to hold a public hearing biennially for the purpose of reviewing the Redevelopment Plan for each Redevelopment Project within its jurisdiction and evaluating its progress. Notices of the public

hearings have been posted in prominent locations within the respective project areas and published once a week for three successive weeks in the San Francisco Independent, all in accordance with State law. The Commissioners have been provided with summary reports reviewing and evaluating progress on each of the projects.

- (c) Public Hearing to hear all persons interested in the Western Addition Addition A-1 Redevelopment Plan; Western Addition A-1.
- (d) Public Hearing to hear all persons interested in the Western Addition A-2 Redevelopment Plan; Western Addition A-2.

President Hom opened the Public Hearings to hear all persons interested in these matters.

Shirley Wysinger, Assistant Project Coordinator, Western Addition A-1/A-2, made presentations on items (c) and (d), which request acceptance of the Biennial Reports reviewing the Redevelopment Plans for the Western Addition A-1 and A-2 Redevelopment Project Areas and evaluating their progress.

Mr. Kitahata indicated that the development at Post and Gough Streets has a sign on the construction site indicating it is a Redevelopment Project, which he considers inappropriate because this is a private development that does not have Agency financial support.

Ms. Wysinger indicated she would investigate and report back to the Commission.

Mr. Kitahata requested all future Biennial Reports include an inventory of uncompleted projects.

Ms. Ong indicated that in reference to Mr. Kitahata's request, she would also like the reports to state goals for completion of the uncompleted projects.

Mr. Suttle indicated that all objectives have been accomplished for the Western Addition A-1 and almost all in the Western Addition A-2. This information has been provided in reports to the Strategic Planning Steering Committee.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 240-92, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 241-92, BE ADOPTED.

- (e) Public Hearing to hear all persons interested in the Hunters Point Redevelopment Plan; Hunters Point.

- (f) Public Hearing to hear all persons interested the Redevelopment Plan for the India Basin Industrial Park Redevelopment Plan; India Basin.

President Hom opened the Public Hearings to hear all persons interested in these matters.

Ms. Wysinger made presentations on items (e) and (f), which request acceptance of the Biennial Reports reviewing the Redevelopment Plans for the Hunters Point and India Basin Industrial Park Redevelopment Project Areas and evaluating their progress.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-92 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-92 BE ADOPTED.

- (g) Robert Firehock, Deputy General Counsel, introduced item (g), which requests approval of an Amendment to the Agency's 1992-1993 Budget which authorizes the expenditure of funds in an amount not to exceed \$975,000 related to the Federal Office Building Project at 10th and Market Streets in San Francisco and to request the Board of Supervisors' approval of the amendment. For a number of years the City has been trying to secure a site for a new Federal office building and the Mayor's Office has been successful in locating a site owned by the Bank of America and acceptable to the General Services Administration (GSA) for this project. Mayor Jordan has designated the Agency as the lead agency to accomplish the acquisition and disposition of the site which will be sold by the Bank of America to the Agency for \$4 million plus the cost of demolition and relocation. The Agency would convey the site to the GSA at essentially no cost. A Memoranda of Understanding has been executed by the Mayor, the Bank of America, the GSA and the Agency's Executive Director committing to pursue the project in good faith subject to all necessary legislative and environmental approvals. The next steps include detailed negotiation of the deal and the legal documents, establishment of a project area and a merger for fiscal purposes with the Agency's other project areas to permit tax increment to be spent on acquisition and related costs of the transaction. The necessary funds are available from anticipated revenue sources. Additional budget authority will be sought for the 1993-1994 budget for the necessary funds to complete the transaction.

In response to an inquiry from Mr. Stern, Mr. Firehock indicated that estimated relocation costs would total approximately \$680,000.

Bernard Choden made a presentation regarding the Federal Office Building on two suggested policies he would like the Commissioners to consider and refer to the Mayor and Board of Supervisors: (1) that the Survey and Planning Area for 10th and Market Street site be either increased or supplemented to encompass an expanded new Civic Center Plan within an area bounded by the Central Freeway; and (2) consider financing the proposed purchase of 1660 Mission Street for City/County offices with tax increment revenue bonds as part of an expanded Redevelopment Agency project area.

Joe Donahue, Residential Builders, noted his support of Mr. Choden's recommendations.

Mr. Kitahata indicated that, given that the scope of activities described are primarily public improvements, he believes that it is more fitting for redevelopment to focus on private development because the Agency is essentially funded from tax increment which comes from private development, not public development. The Agency's contribution to the project is \$4 million and since the new Federal Office Building will not be generating any tax increment, the Agency should not take on any additional burden.

Ms. Ong requested that staff analysis of the proposal include a financial study and suggested a workshop be held.

Mr. Suttle indicated that the Commissioners had been briefed in Closed Session on negotiations for the parcel. Since it appears the jurisdiction of the Civic Center is under the City Planning Department and the Chief Administrative Officer (CAO) at this time, it is suggested staff forward the proposal to those Departments before consideration is given to holding a workshop. He noted that Mayor Jordan moved very quickly in enlisting the Agency's assistance to capture the opportunity presented by the Bank of America on this site and to encumber it with all the issues that would arise with expansion of the site into the Civic Center would delay the project. Perhaps the results of staff analysis and contact with City Planning and the CAO could turn into a separate project, but it is important to proceed now while there is the drive and momentum.

In response to an inquiry from Mr. Stern, Mr. Suttle indicated that an analysis of the feasibility of expanding the South of Market Survey Area would be included in the staff report.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-92 BE ADOPTED.

REPORT OF THE PRESIDENT

President Hom indicated that there will be a reception on December 8, 5:30 to 7:00 p.m., Room 200, City Hall, with the Board of Supervisors.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Executive Director Edward Helfeld is on vacation and will return to the office on November 30, 1992.
- (b) On December 3 at 5:30 p.m., there will be a joint meeting with the City Planning Commission regarding the Final Subsequent Environmental Impact Report (EIR) for Yerba Buena Center in Room 282 City Hall. It is understood Commissioners Bolanos and Kitahata will not be able to attend.
- (c) On November 21, Rhody McCoy, Hillside Village Developer, received an award from the Black Realists, a group of Black African-American Realtors some 300 strong, for his activities as an African-American developer. He has developed LaSalle Heights in Hunters Point, 90 units; Bayview Plaza in India Basin Industrial Park, 90,000 square feet of commercial space; and Hillside Village in Hunters Point, 62 units.
- (d) There has been a successful sale of bonds for the Fillmore Center and Cathedral Hill projects. The restructuring and refinancing of the Fillmore Center project was completed on November 24 with the issuance of the bonds and recording of the legal documents. It was an agonizing closing that spanned seven days and teetered on the brink of disaster a number of times. However, the goodwill and hard work of all involved brought it to a successful resolution and the project is now poised for a new phase of operation serving the Western Addition community and San Francisco.
- (e) On November 23, former Commissioner Fei Tsen gave birth to a baby girl weighing 7.5 pounds.
- (f) On November 20, four responses were received to the Request for Proposals for the development of the Fourth and Harrison supermarket site in Yerba Buena Center, which are presently being evaluated. Upon completion of review by staff, a recommendation for Exclusive Negotiations with a developer will be brought forward for consideration by the Commission.
- (g) On December 9, the Agency will be celebrating the Holiday Season with a luncheon at the Cliff House.
- (h) On November 24, 7:00 p.m. to 9:00 p.m., there will be a meeting on the South Bayshore Plan before returning to the City Planning Commission for final public hearings and action. It is being held at the Southeast Community College Community Meeting Room at Oakdale and Phelps Avenues and two staff members will be attending.
- (i) The Commissioners have been provided with a memorandum from Ms. Ong in which she is suggesting changes to the By-laws and

requesting that it be calendared for the December 8, 1992 meeting for discussion and hearing.

In response to an inquiry from Ms. Ong, Mr. Suttle indicated that it is his understanding from the By-Laws that you can have discussion and vote on amendments to the By-Laws at any Special or Regular Meeting as long as the agenda sent out for that meeting contains the text of the proposed amendments. The earliest this could be done to comply with the By-Laws would be December 8.

Ms. Ong requested that the amendments to the By-Laws be discussed at the December 1, 1992 meeting.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. King requested that a request from Fillmore Marketplace Associates, Inc. for \$116,314.50 be calendared for consideration at the December 1, 1992 meeting.

Mr. Suttle indicated that this would be calendared as a Regular Agenda item for consideration and action and as a Closed Session item.

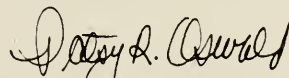
PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Edith McMillan and Pam Smith indicated that the Agency will be requested for funding in connection with 570 Page Street and that affordable housing should be made part of the conditions of the project. In addition, there are problems with density and parking in the area.
- (b) Ted Dientsfrey, Director, Mayor's Office of Housing, noted that the Agency had loaned the Mayor's Office \$817,000 in connection with the Hamlin Hotel project, which will now be paid back with interest for a total of \$875,000.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Regular Meeting, November 24, 1992

APPROVED

December 22, 1992

JAN 19 1993

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11/ MINUTES OF A REGULAR MEETING OF THE
11/ REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF DECEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of December, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata

and the following were absent:

Buck Bagot
Clarence R. Stern (Arrived 4:25 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Morris Phillips and Joseph Skiffer, Fillmore Marketplace Associates; Larry Martin, Transport Workers Union; Bob Davis, Fillmore Center; Millard Larkin, Mary Trammell and Sidney Martin, Ella Hill Hutch Community Center; Dwight Kinnard, P & K Trucking; Chow Chen, Western Commercial Partnership; Erin Sanders; Michael Chan, Asian, Inc.; Dr. Rhody McCoy; and Paul Matthews.

Representing the press were: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the minutes of the Regular Meeting of October 13, 1992 and the minutes of the Closed Session of September 15, 1992, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement with Minna Street Associates for the development located at Sixth and Minna Streets; South of Market Earthquake Recovery Redevelopment Project Area.

President Hom opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialist, introduced item (a), which requests authorization of an Agreement for Disposition of Land (LDA) for Private Development with Minna Street Associates for the development of 24 affordable rental units at Sixth and Minna Streets in the South of Market. Asian, Inc., with whom the Agency has been negotiating an LDA since February 1992, has created a partnership entity of Minna Street Associates to serve as the developer for this project which consists of 12 two-bedroom and 12 three-bedroom units for which the average household income shall not exceed 60 percent of area median income. This affordability restriction applies for a period of no less than 55 years with the selection of tenants based on certain criteria of preference. The ground floor will include a parking garage and a small amount of commercial space fronting along Sixth Street. Staff has been negotiating a \$1.00 per year development groundlease agreement, however, the development is not sufficiently advanced in its planning to expend 10 percent of the construction budget by December 11 as required by the tax credit requirement. Under the LDA, the developer will pay the Agency \$700,000 for the land, which price was determined to be sufficient to meet the 10 percent expenditure tax credit requirement. All financing for the project has been obtained and commencement of construction is scheduled for February 1993, however, the developer must obtain title to the land no later than December 11, 1992 in order to maintain its low-income housing tax credit commitment.

At this time, 4:20 p.m., President Hom left the meeting and turned the Chair over to Ms. Ong.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-92 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Small Business Recovery Fund (SBRF) Program Agreement with the Bank of America State Bank in connection with the South of Market Earthquake Recovery Redevelopment Project Area. The South of Market Earthquake Recovery Redevelopment Project Area was authorized by the Board of Supervisors in June 1990 solely to repair, restore, and/or replace buildings and physical infrastructure damaged in the October 17, 1989 earthquake and to provide economic development assistance to neighborhood-serving businesses and related establishments. The Agency allocated \$1 million in Community Development Block Grant funds from its 1990 budget to provide economic assistance. In January 1992, the Agency authorized \$250,000 for a Small Business Recovery Program Fund and entered into an Program Agreement with Wells Fargo Bank which has resulted in the closing of four loans with five year terms for a total of \$97,830. An additional \$100,000 was

Minutes of a Regular Meeting, December 1, 1992

allocated for the SBRF in the Agency's 1992-1993 budget and a total of \$252,170 remains unexpended for the remainder of this fiscal year. Staff is confident that with the additional participation of the Bank of America State Bank a greater number of small businesses will now have access to capital not previously available.

Mr. Stern arrived at the meeting at this, 4:25 p.m.

Mr. Kitahata noted the importance of closely monitoring the program.

At this time, 4:26 p.m., President Hom returned to the meeting and resumed the Chair.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-92 BE ADOPTED.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the west side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Marketplace Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:27 p.m.

RECONVENED

At this time, 4:50 p.m., the meeting convened back to the Regular Session with the same roll call.

(c) Mr. Helfeld introduced item (c), which is consideration and action on a request by Fillmore Marketplace Associates for an additional Predevelopment Loan in an amount of \$116,314.50 in connection with the development of Parcel 732-B located on the west side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2. The Developer has requested this additional Predevelopment Loan to pay for a second allocation of tax credit fees. The Agency previously provided loans and deferrals of land payments in the amount of \$264,695 and the Developer has failed to meet repayment dates for these funds. In addition, a land payment in an amount of \$91,200 is due on December 1, 1992 which Fillmore Market Place has indicated they do not intend to pay until start of construction. The Agency also provided a land write down to the project by reducing the sales price by \$2.1 million. The Agency has provided significant financial assistance to the project and, based upon a financial statement submitted, the Developer has the capacity to pay these fees. Therefore, staff does not recommend approval of the request which is a normal business cost for a private developer.

Minutes of a Regular Meeting, December 1, 1992

While the maximum allowable development fee imposed on non-profit developments is \$100,000, there are no restrictions in the LDA on the amount of the development fee for this project, which is projected to be in excess of \$1 million. The Developer has indicated it is planned to submit a request in the near future for a further land write down to increase their development fee.

Morris Phillips, Fillmore Marketplace Associates, indicated that it is his understanding this issue revolves around the fact that Fillmore Market Place Associates is a for-profit developer, rather than a non-profit, and whether it has the money to pay the tax credit reservation fee. He noted that the developer has expended \$500,000 cash money for the project over the past five to six years and does not have the resources to pay the fee, which was totally unexpected and caused by the failure of the Bank of America, the construction lender, to have the appraisal ready on time. This is not a typical project for a for-profit development because it consists of 120 units of low income housing and must remain low income for 55 years so it could not be sold. With regard to Mr. Helfeld's comment that the funds have not been repaid, a letter dated August 28, 1992 was received from the Agency indicating repayment could be made at start of construction.

Mr. Helfeld indicated that at the time the letter was written, the assumption was that construction would start in the Fall of 1992 and not in the Spring of 1993.

In response to an inquiry from President Hom, Mr. Phillips indicated that Bank of America has promised a \$6 million construction loan.

Mr. Stern indicated that it is his understanding that all loans from the Agency will be repaid at the time of start of construction, but the appraisal is delaying the process. He noted that all appraisers will have to be licensed as of January 1993 which is causing a back-log and it is very difficult to secure an appraisal at this time. It should also be taken into consideration that the Developer has a commitment for construction financing.

The following persons spoke in support of item (c): Larry Martin, Transport Workers Union; Bob Davis, Fillmore Center; Joseph Skiffer, Fillmore Marketplace Associates; Millard Larkin, Mary Trammell and Sidney Martin, Ella Hill Hutch Community Center; Dwight Kinnard, P & K Trucking; Chow Chen, Western Commercial Partnership; and Erin Sanders.

Mr. King noted the history of Parcel 732 which was split between two Black developers. He reminded the Commissioners that the Western Addition and Bayview/Hunters Point areas were bull-dozed and the communities destroyed by the Redevelopment Agency. There is a commitment by the Agency and the City and County of San Francisco to rebuild those communities and to Black developers. Although this affordable housing is greatly needed, it appears

the Agency is going to refuse to loan the \$116,000 on a technicality as to whether it is a for-profit or non-profit developer when the housing produced by non-profit developers is not really affordable compared to the low income housing this project will generate.

A discussion ensued between the Commissioners and staff regarding developer fees for for-profits versus non-profits.

Mr. Kitahata indicated that he supports the project, however, the Agency has already provided sufficient financial support and he would oppose granting the request for additional funds because staff has indicated the Developer has the resources to pay the \$116,000 and there is a Developer fee in excess of \$1 million involved.

Mr. Stern noted that the developer proposes to pay the total amount owed the Agency out of the construction loan and this project will not only give people an opportunity to live in San Francisco, but generate jobs, so he would support the request.

Ms. Ong indicated that she would like to see the project accomplished, however, because the financial information provided by staff indicates assets of \$11 or \$12 million, she would like to see Fillmore Marketplace take a risk and use its own money.

MOTION: IT WAS MOVED BY PRESIDENT HOM, SECONDED BY MR. KING, WITH COMMISSIONERS ONG, BOLANOS AND KITAHATA OPPOSING, THAT THIS ITEM BE CONTINUED TO THE MEETING OF DECEMBER 8, 1992.

THE PRESIDENT THEREUPON DECLARED THE MOTION FAILED.

Mr. Kitahata indicated that prior to Commission consideration of future requests from this Developer, he would prefer a recommendation from the City-wide Housing Loan Committee.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On December 3 at 5:30 p.m., there will be a Joint Meeting with the City Planning Commission regarding certification of the Final Subsequent Environmental Impact Report for the Yerba Buena Center Redevelopment Plan in Room 282, City Hall. Commissioners Hom, Ong, King and Stern have indicated they will attend.
- (b) On December 8, 1992, 5:30 to 7:00 p.m., there will be a reception in Room 200, City Hall, for the Commissioners and the Board of Supervisors.
- (c) The Commissioners have been provided with a schedule of the Hunters Point Naval Shipyard Public Meetings and a letter from Mayor Jordan regarding the Citizens Advisory Committee.

Minutes of a Regular Meeting, December 1, 1992

- (d) The Commissioners have been provided with an editorial from the November 29, 1992 Examiner entitled "Agenda for San Francisco" noting ten major renewal projects that can shape the City.
- (e) On December 9, 1992, the Agency will be celebrating the Holiday Season with a luncheon at the Cliff House.
- (f) With regard to the Strategic Plan for the Agency, Mr. Kitahata reported that he and Ms. Bolanos attended the first Focus Group meeting on November 30 which proved to be very provocative and interesting. The Agency's role in housing and economic development was discussed. The Commissioners are encouraged to attend the Focus Group meetings as observers.
- (g) There is a need to announce in public that in Closed Session on November 17, 1992 the Commission approved the appointment of Barbara Amato as Acting Project Coordinator for Rincon Point-South Beach/South of Market Project Areas for a two week period.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Dwight Kinnard, P & K Trucking, and Paul Matthews noted the need for programs and facilities in the Western Addition to assist homeless persons with alcoholic and substance abuse problems.

Ms. Ong noted that the City has received Federal funding of \$4 million for drug rehabilitation and requested staff investigate if these funds are available for the uses described by the speakers.

Gene Suttle, Senior Deputy Executive Director, indicated that there is a facility at 1724 Steiner Street which has a drug abuse program regarding which he would provide further information to Mr. Kinnard and Mr. Matthews.

- (b) Dr. Rhody McCoy requested the Commission find some way to look at for-profit developers versus non-profit developers, particularly when it comes to Black developers because it is becoming a racial issue.

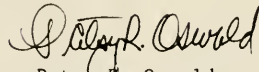
President Hom indicated that staff will report back on this matter.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:00 p.m.

Minutes of a Regular Meeting, December 1, 1992

Respectfully submitted,


Patsy K. Oswald
Agency Secretary

APPROVED

January 12, 1993

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111
11 MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF DECEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco and the San Francisco Planning Commission met in a Special Meeting in Room 282, City Hall in the City of San Francisco, California at 5:50 p.m. on the 3rd day of December, 1992, the place and date duly established for the holding of such a joint meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Leroy King
Clarence R. Stern

and the following were absent:

Buck Bagot
Sonia S. Bolanos
Gary Kitahata

The President declared that a quorum was present.

The following City Planning Commissioners were also present:

Sidney R. Unobskey, President
Romaine Boldridge
Susan E. Lowenberg
M. Toby Levine
David Prowler

Gene Suttle, Acting Executive Director and staff members were also present.

Also present was: John Elberling, representing Tenants and Owners Development Corporation and the Yerba Buena Consortium.

President Hom indicated that it is an honor to participate in this important meeting and suggested President Unobskey chair the meeting.

President Unobskey announced that this is the portion of the Joint Meeting where any member of the public who wishes to address both Commissions on items within the subject matter jurisdiction of the Commissions may do so.

John Elberling, representing Tenants and Owners Development Corporation and the Yerba Buena Consortium, indicated that the Commissioners have been provided with written material commenting on the document to be considered later by the Commissioners. Issues that need to be addressed mainly relate to public safety and health. The traffic and pedestrian safety in the area is seriously compromised by the intense development of the project. The public health

essentially is threatened by air quality impact of traffic on the large number of seniors in the area who have respiratory illnesses. Because the Moscone Center will be a mass care facility in the future in the event of an earthquake, site preparedness planning is critical because of over-population which will happen after an earthquake and of general soil conditions in the area. Another issue that needs to be addressed is the scheduling of events and activities in Yerba Buena Center with a view to alleviating congestion. Although the mitigation measures are not adequate, the document as it stands is sufficient because there have been discussions with staff to satisfactorily address major concerns and a very thorough plan will be prepared, so basically the process is working.

The Clerk noted that the purpose of this Special Meeting is to conduct a Joint Public Meeting between the City Planning Commission and the Redevelopment Agency Commission regarding the certification of the Final Subsequent Environmental Impact Report for the Yerba Buena Center Redevelopment Plan. The Public Hearing on this item was closed at the joint Special Meeting of January 23, 1992.

Thomas Conrad, Chief, Planning and Programming, made a presentation on behalf of the Redevelopment Agency. He noted that it covers proposed Redevelopment Plan Amendments to the existing Redevelopment Plan which it is hoped to bring before the Agency Commission and the Board of Supervisors in early 1993. No action will be taken today on the Plan Amendments which will be considered at a future time. There are also certain items in the environmental document that cover the proposed Phase Three Amendment to the Yerba Buena Gardens Disposition and Development Agreement. The document is before the City Planning Commission for the finding of conformity to the existing Master Plan of the City and County of San Francisco. Staff believes that the document is adequate and accurate.

Barbara Sahm, City Environmental Review Officer, made a presentation on behalf of the City Planning Department and noted that she did not agree with Mr. Elberling that all issues are not adequately addressed in the document. She responded in detail to concerns raised by Mr. Elberling, indicating that: air quality forecasts are based on methodology developed in conjunction with the Air Quality Management District; traffic and pedestrian safety are never covered on an unusually horrid day basis for any project because they are not the average situation; all the buildings are analyzed plus whatever would happen for a particular special recreational activity on Central Block 2 to cover a usual situation. She noted that Appendix F in the comments and responses is a clear summary of all the mitigation measures that have already been incorporated from previous EIR's. The key findings that staff recommends are those of what the significant impacts would be of the project as it is presently described in the Draft Environmental Report and the comments and responses. The project described in the subsequent EIR will have a project-specific significant effect on the environment by increasing the population in the entire Redevelopment Project Area which will be subjected to substantial danger during a major earthquake, despite the fact the new buildings built as a result of the project would meet the most current building and seismic codes. The project will

have a project-specific effect on the environment in potentially exposing construction workers and others to hazardous wastes in the soil and groundwater if mitigation measures are not adopted as part of the Redevelopment Plan Amendment. These are mitigation measures that are described in the EIR that have not yet been made as part of the Redevelopment Plan Amendment, so the finding is suggested because it is not yet known what will be adopted. The same is true for the next two items: potential violations of the air quality particulate standards during constructions activities if dust control measures are not adopted as part of the Redevelopment Plan Amendment; and potential impacts from use of groundwater for landscaping irrigation, if ground water quality were not investigated prior to use and if measures were not adopted regarding subsidence due to groundwater draw down. The project will have a significant effect on the environment in that it would contribute to cumulative downtown traffic increases and cumulative passenger loading on MUNI, BART and other transit centers. Such cumulative transportation impacts could cause violations to particulate standards in San Francisco with concomitant health effects and reduced visibility. That would be a standard finding of contribution to the cumulative impacts in downtown San Francisco from continuing to attract commuters to work in downtown.

President Unobskey stated that the Commissioners of the City Planning Commission of the City and County of San Francisco have received and reviewed the Final Subsequent Environmental Impact Report for the Yerba Buena Center Redevelopment Plan and the City Planning Commission Motion No. 13432. In addition, the Commission is satisfied that there is substantial evidence to support all of the findings and determinations made in the City Planning Commission Motion No. 13432.

President Hom stated that the Commissioners of the Redevelopment Agency of the City and County of San Francisco have received and reviewed the Final Subsequent Environmental Impact Report for the Yerba Buena Center Redevelopment Plan and the Agency Resolution No. 248-92. In addition, the Commission is satisfied that there is substantial evidence to support all the findings and determinations made in Agency Resolution No. 248-92.

Ms. Levine indicated that later in the process there will be a need to take a closer look at the whole issue of pedestrian movement in relation to automobile traffic around the project, which will increase because of the amenities that will be provided.

Ms. Lowenberg indicated she would like both staffs to take a look at how the affordable housing issue will be addressed. She noted that each year the City Planning Department produces an inventory of affordable housing and of the entire housing stock in San Francisco, which it would be very useful for the Redevelopment Agency to review and try and incorporate in redevelopment areas. The housing needs throughout the entire City should be looked at, not just the housing that will be generated from the increase in usage in the Yerba Buena Center Project Area, to achieve the best housing and best affordable housing possible.

Minutes of a Special Meeting, December 3, 1992

President Hom indicated that both Commissions and staffs have done a great deal of work in making the Yerba Buena area a good place to live and work. There is still much work to be done and issues to be developed, especially affordable housing for the Yerba Buena area and throughout the City and County of San Francisco.

Mr. Stern indicated he is gratified the City Planning and Redevelopment Agency Commissions are meeting together. It is hoped this continues because they have a lot in common and in the spirit of cooperation can work to make San Francisco a better place to live.

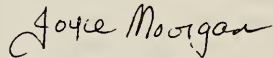
ADOPTION: IT WAS MOVED BY MS. LEVINE, SECONDED BY MS. LOWENBERG, AND UNANIMOUSLY CARRIED THAT CITY PLANNING MOTION NO. 13432 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT REDEVELOPMENT AGENCY RESOLUTION NO. 248-92 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the Special Meeting be adjourned. The Special Meeting adjourned at 6:17 p.m.

Respectfully submitted,



Joyce Morgan
Acting Agency Secretary

PLEASE NOTE: A COPY OF THE FULL TRANSCRIPT OF THE PROCEEDINGS IS ON FILE WITH THE AGENCY SECRETARY.

APPROVED

January 26, 1993

JAN 19 1993

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11/ MINUTES OF A REGULAR MEETING OF THE
// REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF DECEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:30 o'clock p.m. on the 8th day of December, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Buck Bagot
Sonia Bolanos (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Adele Naude Santos and Paul Friedberg, Architects for the Children's Place in Yerba Buena Gardens; Brenda Berlin, Consultant for the Children's Place; Pattie Yancy, Arts Administrator; Jim Collins, Ice Rink/Bowling Center Committee; Jeanne Nelson, Children's Place Committee; Alan Levy, Architect; Len Miller, Department of Toxic Substances Control of the California Environmental Protection Agency; Mike Mahoney, San Francisco Police Department; Claudia Viek, San Francisco Renaissance; Dr. Rhody McCoy, Future Perfect, Inc.; Mary Trammell, Sidney Martin and Millard Larkin, Ella Hill Hutch Community Center; and John Scott, Young Community Developers.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Stern, seconded by Ms. Ong, and unanimously carried that the minutes of the Regular Meeting of October 20, 1992, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

President Hom announced that item (a), which is a Public Hearing, has been noticed for 4:00 p.m. and will be heard at that time.

(b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which is a workshop to provide the Commission and the

public an opportunity to review the Final Schematic Design for the Children's Center on Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. The design for the CB-3 buildings and garden, now completed, is based upon: the Master Plan Program and Budget approved in April 1992; reviews of the Master Plan and Progress Drawings by a wide range of community groups and interested parties; and on working sessions with the Technical Advisory Committees and operators for each of the major uses. Commission approval of the Schematic Design will be scheduled in the near future. Prior to requesting Commission approval of the Design development in May 1993, ongoing Advisory Group meetings and two more public workshops are anticipated while the design progresses. The availability of construction funding at that point will determine whether the entire project can proceed or whether portions of it will need to be phased. Although the possibility of phasing is anticipated in the architects' designs, it is critical to complete the design development of the entire project at the same time in order to assure a well integrated site and to provide accurate cost data as funding options are discussed. If funding is secured, construction of the project would commence in mid-1994 and be completed in 1996.

William Carney, Senior Staff Architect, noted that the Schematic Design has evolved through six months of community review and the plans to be presented at this workshop will show the response to many ideas offered at those meetings. Commission approval of the Final Schematic Design will be requested at the December 15, 1992 meeting and will be contingent upon the satisfactory resolution of remaining design concerns, which it is believed can be satisfactorily addressed.

Architect Adele Naude Santos and Landscape Architect Paul Friedberg made design presentations, during which the Commissioners viewed a model for Yerba Buena Gardens.

The following persons spoke in support of item (b): Brenda Berlin, Consultant for the Children's Place; Pattie Yancey, Arts Administrator; Jim Collins, Ice Rink/Bowling Center Committee; and Jeanne Nelson, Children's Place Committee.

Ms. Bolanos arrived at this time, 4:10 p.m.

The Commissioners commended Agency staff, the Committees, the Architects and the citizens involved in the progress that has been made with Yerba Buena Center.

In response to an inquiry from Mr. Kitahata, Ms. Sause described the rest room facilities for the Gardens in detail and indicated that there will be changing shelves provided to accommodate people with small children.

Mr. Kitahata referred to the comments regarding the need to come up with stringent operating and maintenance budgets for the operation of CB-3 and indicated that those issues and the issue

of the operating entity presently being developed needs to be brought forward at the same time as the financing.

Ms. Sause indicated that the Agency is working with the committees who represent all the users in the area except the new retail user, yet to be chosen, and it is hoped to have a process for Commission review outlining how it will be managed by the end of February 1993.

In response to an inquiry from Ms. Ong, Alan Levy, Architect indicated that the first aid station will be located on the ground level of the skating rink and in the Gardens' administrative building.

- (a) Public Hearing to hear all persons interested in the proposed Hazardous Waste Management Plans for the site located at 241 Sixth Street; South of Market.

President Hom opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialist, introduced item (a), which is a Public Hearing to hear all persons interested in the proposed Hazardous Waste Management Plans for the site located at 241 Sixth Street in the South of Market. This site is designated for the development of 140 units of single room-occupancy (SRO) housing for very low-income households by GP/TODCO and, prior to disposition of the property, State approval is required of the mitigative measures proposed to minimize exposure to chemicals in the soils. The proposed mitigative measures, which have already been approved by the San Francisco Department of Public Health, include: implementing a health and safety plan for use by the construction workers; encapsulating the on-site soil with concrete pavement; and imposing land use restrictions to prevent the disturbance of affected soil following construction. No Commission action is required on this item.

Len Miller, Department of Toxics Substances Control of the California Environmental Protection Agency, made a presentation the proposed plans.

In response to an inquiry from President Hom, Mr. Miller indicated that the hazardous condition of this site is basically the same as the two other sites being developed for housing in the South of Market.

REPORT OF THE PRESIDENT

- (a) President Hom announced that the public workshop on proposed Addendum to the Agency's Purchasing Policy addressing contracts for Legal Services will be postponed and held at the end of January 1993.

Minutes of a Regular Meeting, December 8, 1992

- (b) President Hom noted that on December 8 at 5:30 p.m., the Commission will host a reception for the members of the Board of Supervisors in Room 200, City Hall.
- (c) President Hom recommended that the Commissioners consider holding a Retreat with a facilitator in early January 1993.

Mr. King indicated he would like further discussion before he would agree to scheduling a retreat.

Ms. Bolanos suggested staff prepare a list of facilitators for review by the Commission.

Mr. King noted the inadequacy of the facilitator at the last Commission retreat held four years ago.

Ms. Ong suggested she and President Hom take a telephone consensus for suggestions on a retreat.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a memorandum evaluating the Agency's service providers and representatives of those organizations are present to respond to questions.

Isabella Wong, Assistant Economic Development Specialist, responded to questions from Ms. Ong regarding the terms and amounts of the contracts and Mr. Helfeld noted the relationship of the contracts to the Agency's budget.

At Ms. Bolanos' request, Robert Gamble, Deputy Executive Director, Finance, indicated it would be timely to review the budget and described the budget process for the benefit of the new Commissioners.

- (b) Commissioners Kitahata and Stern reported on the proceedings of the most recent Steering Committee meeting for the Agency's Strategic Plan. It was noted discussions included the need for restructuring and a new role for the Agency because tax increment is running out. Sidney Unobskey, President of the City Planning Commission, had produced a list of lands held by other public entities that could be developed by the Agency as public developers, thereby getting revenues as a developer to get the property back on the tax roll as well as create some economic viability.

Ms. Bolanos noted that, although development is important, it should be remembered the Commission has a social responsibility to the community and any development should be in line with the City's needs in the sense of preservation of neighborhoods and there has to be concern for community needs.

Minutes of a Regular Meeting, December 8, 1992

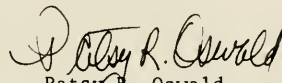
Mr. Stern noted that the proposal was not to change the long range objective for affordable housing and all other social benefits but more primed to establishing a process to create those benefits.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 12, 1993

FEB 2 1993

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11/ MINUTES OF A REGULAR MEETING OF THE
11/ REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF DECEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of December, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King
Clarence R. Stern

and the following were absent:

Buck Bagot
Gary Kitahata

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Mr. Helfeld indicated that because he was suffering from laryngitis, Gene Suttle, Senior Deputy Executive Director, would conduct the meeting.

Also present were: Bernie Hagen, Serenity Towers; Jerry Lee, representing Adele Santos and Paul Friedberg; Brenda Berlin, Consultant, Children's Place, Yerba Buena Gardens; Representing the Center for the Arts at Yerba Buena Gardens: Ned Topham, President of the Board of Directors, Leslie Miko, Acting Executive Director, and Baraka Sele, Director of Programs for Performing Arts; Dr. Rhody McCoy, Future Perfect, Inc.; John Hamilton and Francine McKinney, San Francisco Housing Development Corporation; Ed Gallahad, New Bayview Committee.

Representing the press were: Gerald Adams, San Francisco Examiner; and Pam Burdman, San Francisco Chronicle.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Predevelopment Loan in an amount not to exceed \$75,000 to the San Francisco Housing Development Corporation for expenses related to predevelopment work for acquisition and development of Site DD-2 located on the south side of Hudson Avenue at Whitney Young Circle; Hunters Point.

- (b) Awarding Contract IV-ACCESS IMPROVEMENTS to Valentine Corporation for the construction of improvements near Pier 40 and the Embarcadero in an amount not to exceed \$62,369; Rincon Point-South Beach.
- (c) Authorizing the establishment of and approving the Operating Policies and Procedures for the Bayview/Hunters Point and Fillmore/Western Addition Small Business Revolving Loan Program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 249-92, 250-92 AND 251-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Robert Gamble, Deputy Executive Director, Finance, introduced item (d), which requests authorization of the Issuance, Sale and Delivery of Multifamily Mortgage Revenue Refunding Bonds, Series 1992A (FHA Insured Mortgage Loan -- Serenity Towers Section 8 Assisted Project) in the aggregate principal amount of \$4,825,000 and Taxable Multifamily Mortgage Revenue Refunding Bonds, Series 1992B (FHA Insured Mortgage Loan -- Serenity Towers Section 8 Assisted Project) in the aggregate principal amount of \$850,000. The U.S. Department of Housing and Urban Development (HUD) requires that certain multifamily mortgage revenue bonds issued in the 1980's at below-market HUD subsidized rates be refunded if substantial savings will occur with the savings to be in the form of reduced debt service payments resulting from a lower interest rate on the refunding bonds. At that time the Agency issued numerous such bonds for the development of rental projects when interest rates were significantly higher than current prevailing rates. Earlier this year, legislation was approved which permits the Agency, as the issuing authority, to share 50 percent of the savings with HUD and the law requires these savings must be spent for low-income housing purposes. In April 1992, the Commission approved a Resolution of Intention to issue refunding mortgage revenue bonds for six housing projects, which bond issuance was subsequently approved by the Board of Supervisors. The purpose of the refundings is to take advantage of the current low interest rates that would potentially realize financial benefits to the Agency. To date, refundings for the Mariposa Apartments and Mercy Terrace projects will realize a total net value savings of \$1.98 million during the next several years. Serenity Towers, located at 308 Eddy Street, contains 73 apartments and a number of lounges and recreational areas for elderly tenants on the ground floor. The financial benefit accruing to the Agency by refunding the bonds for this project is estimated at \$552,000. The Agency has been unable to obtain the owner's consent to refund the bonds because the project owner's general partner has been seeking HUD approval regarding a repayment note from the general partner to the project. To date, HUD has not approved the note repayment, but has instructed the Agency to proceed with the refunding. After the year 2004, the project owner becomes the beneficiary of the reduced debt service payments. It should be noted that the resolution before the Commission proposes to

issue the Series 1992B bonds in an amount of \$850,000, rather than \$500,000. Bernie Hagen, Project Owner, is present to respond to questions.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-92 BE AMENDED TO INDICATE ISSUANCE OF THE SERIES 1992B BONDS IN AN AMOUNT OF \$850,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-92, AS AMENDED, BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (e), which requests Conditional approval of the Schematic Design for the Central Block 3 (CB-3) Children's Center in the Yerba Buena Gardens of Yerba Buena Center. CB-3 is programmed for educational, recreational and service uses for children and families, including a child care center, a children's cultural center known as the Children's place, an ice skating/bowling center which includes a restaurant, a carousel and a two-acre children's garden. Its design, now completed, has been developed by Architect Adele Santos and Landscape Architect Paul Friedberg who made presentations at workshops held on October 13 and December 8, 1992. The Schematic Design, which has been developed in consultation with a wide range of Community Advisory Groups, successfully addresses the Agency's approved program and issues raised during a six month intensive community review process. The next step is the Design Development phase, during which the design will be refined at a more detailed level with continued opportunity for public review and comment. Upon Commission approval of the Design Development drawings and identification of funding sources, the final documentation of the project is scheduled to begin in the summer 1993, enabling construction to start in 1994 and be completed in 1996. Approval of the Schematic Design is subject to the resolution of the remaining design concerns.

William Carney, Senior Staff Architect, reviewed the remaining design concerns, which he indicated it is believed can be satisfactorily addressed during the Design Development Phase.

Ms. Sause noted the presence of: Jerry Lee, representing Adele Santos and Paul Friedberg; Brenda Berlin, Consultant, Children's Place; and representatives of the Center for the Arts.

President Hom commended all involved for the progress that has been made with the Yerba Buena Center Project, which is creating a new neighborhood.

Robert Gamble, Deputy Executive Director, Finance, noted that various financing mechanisms are being explored to achieve financing for CB-3, including the use of zero coupon bonds against hotel tax revenue, which would require an amendment to the Hotel Tax Ordinance.

Ms. Ong inquired regarding the obstacles in getting the revenue from the hotel tax and how staff proposes to proceed. Mr. Gamble indicated that, basically, the obstacle will be political as there are many groups that receive money from the hotel tax. He noted at this time the money has not been committed for any other purpose so to start with there will have to be a Resolution of Intent from the Redevelopment Agency and then an ordinance from the Board of Supervisors, but at this point it is a matter being discussed and will need to be negotiated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-92 BE ADOPTED.

- (f) Helen Sause, Project Director, Yerba Buena Center, introduced item (f), the purpose of which is for a presentation by the Center for the Arts at Yerba Buena Gardens on their Strategic Plan and related budget modifications. The presentation includes an update on the strategic planning process and progress in implementing changes to their organization as recommended by the Management Audit performed by Beene and Associates relating to community outreach, clarification of the Mission Statement and revised operating and financing plans. The Commissioners have been provided with the Center's revised financing plans and a preliminary revised budget for 1992-1993 and 1993-1994 budget years which details a 35 percent reduction in the 1993-1994 budget. A formal budget revision and a new budget proposal will be forthcoming in early 1993.

The following representatives of the Center for the Arts spoke regarding item (f) Ned Topham, President of the Board of Directors, Leslie Miko, Acting Executive Director, and Baraka Sele, Director of Programs for Performing Arts.

Ms. Miko made a presentation on the strategic planning process and related budget modifications, proposed programming and marketing strategies. She noted that the Center will be returning with a budget revision and budget request for 1993/1994 fiscal year.

Ms. Miko introduced board and staff members in attendance from the Center for the Arts.

Ms. Sele responded to questions from Ms. Bolanos regarding the programming plans and noted that educational programs for children are planned for the first programming season.

Ms. Bolanos commended the Center's board and staff for their efforts.

REPORT OF THE PRESIDENT

- (a) President Hom noted that the last Regular Agency Meeting for 1992 will be held on December 22 and the first Regular Meeting will be January 12, 1993. On January 5, the Commissioners are holding a Retreat. The December 22 meeting will start at 3:00 p.m. because

Minutes of a Regular Meeting, December 15, 1992

the Commissioners have been invited to the Mayor's Christmas Party at 5:00 p.m. on that date.

Mr. Suttle indicated that the public will be so notified of the time change for the December 22 meeting.

- (b) President Hom reported that he attended the Agency's Christmas luncheon on December 9 at the Cliff House restaurant.
- (c) President Hom indicated that commencing December 17, Senior Staff will meet at this office every Thursday at 10:00 a.m. to discuss the agenda for the upcoming Tuesday meeting.
- (d) President Hom indicated that on December 15 he attended the sealed bid opening for proposals to operate the parking lot at Third and Mission Streets.

REPORT OF THE EXECUTIVE DIRECTOR

Gene Suttle, Senior Deputy Executive Director, reported to the Commissioners on the following matters:

- (a) A workshop to discuss M/WBE participation in the Agency's contracts for outside legal services and affirmative action efforts of its contract law firms was noticed for today's meeting to the public Tentative Agenda. In case persons wishing to testify did not get the notice that it was cancelled, this is to announce that it will be rescheduled for early next year.
- (b) There are two additional Closed Session items regarding Real Property Negotiations that need to be added to the agenda.
- (c) On December 17 at 11:00 a.m., there will be ribbon-cutting ceremony to commemorate the completion and grand opening of sixty-nine units of low-income housing for San Francisco residents in the newly renovated Hamlin Hotel at 385 Eddy Street. The Agency gave them a performance guarantee of \$800,000, which was paid back upon completion of the project.
- (d) On January 6, 1993 at 11:00 a.m., there will be a grand opening celebration for Steamboat Point (formerly Site K) in the Rincon Point-South Beach Project Area, which is 108 units of affordable rental family housing to households at 60 percent of the area median income or less. All the units are leased.
- (e) Mr. Stern indicated that the major part of the last Strategic Planning Steering Committee meeting was spent discussing financing.

Mr. Suttle indicated that the next Strategic Planning Steering Committee meeting will be held on at noon on December 16.

President Hom announced that there would be two Closed Sessions to instruct the Agency's real property negotiator. The property locations and the entities the Agency may negotiate with are:

Minutes of a Regular Meeting, December 15, 1992

San Francisco Naval Shipyard with the United States Navy; and

parcel at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2 with Urban Homes, Inc.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, December 11, 1992. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON DECEMBER 11, 1992.

Both items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

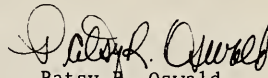
northeasterly corner of Third and Howard Streets in Yerba Buena Center with the ADCO group; and

southeast corner of Third and Harrison Streets in Yerba Buena Center with Harrison Development, Inc.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:20 P.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 26, 1993

FEB 2 1993

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11/
11/ MINUTES OF A REGULAR MEETING OF THE
// REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF /SAN FRANCISCO HELD ON THE
22ND DAY OF DECEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:00 o'clock p.m. on the 22nd day of December, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Buck Bagot
Sonia S. Bolanos
Leroy King
Clarence R. Stern

and the following was absent:

Gary Kitahata (Arrived 3:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bob Telles, Telles & Raifman; Dianne Milner, Steefel, Levitt & Weiss; Sidney Hoover, 540 First Street Associates; Edward Hunter; Morris Phillips, Fillmore Marketplace Associates; Roberto Barragan, Executive Director, Mission Economic Development Association; and Eduardo Martinez, Architect.

APPROVAL OF MINUTES

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the Regular Minutes of October 27, November 10, 17 and 24, 1992 and the minutes of a Special Meeting of November 4, 1992, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS- CONSENT AGENDA

Mr. Helfeld indicated that he has been informed there is a person who wishes to speak regarding item (c). He requested it be removed from the Consent Agenda and considered as a Regular Agenda item when the person involved arrives at the meeting.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an Agreement with the Allright-San Francisco for the use of Agency-owned property at the southeast corner of Mission

and Third Streets for the operation of a parking lot; Yerba Buena Center.

- (b) Authorizing an extension of the Exclusive Negotiations period of the Agreement to Negotiate Exclusively with the GAP, Inc. for the acquisition and development of Site C-1, located in the block bounded by the right-of-way of the recently removed Embarcadero Freeway, Steuart, Folsom and Spear Streets; Rincon Point-South Beach.
- (d) Authorizing an amendment to the Agency's Dental Care Service Contract with Delta Dental Plan of California to revise the benefit structure and to adjust the employer contribution formula.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY Ms. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (d), RESOLUTION NUMBERS 254-92, 255-92 AND 257-92, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests consideration of responses to the Request for Qualifications (RFQ) for the Central Block 2 (CB-2) Entertainment/Retail Site in the Yerba Buena Gardens of Yerba Buena Center. The developer selection process for this 2.6 acre site was divided into a qualifications phase and a proposal phase in order to avoid having potential candidates with inadequate financial capacity expend time and money on development proposals and to enable the Agency focus on development proposals from entities with a strong possibility of obtaining financing. Five submissions were received prior to the acceptance deadline of December 15, 1992, three of which were responsive and are being reviewed. Staff anticipates making a recommendation at the January 12, 1993 meeting on which of those three should be invited to submit development proposals. The two unresponsive submittals were from the Oliver-McMillan Group who merely indicated its willingness to serve in an advisory capacity on the project and from David Shapiro, the ADCO Group and Nicholas Pritzker who did not provide the financial statements required in the RFQ, nor did they indicate experience with this type of project.

Mr. Kitahata arrived at the meeting at this time, 3:20 p.m.

In response to an inquiry from Ms. Ong, Darby Kremers, Real Estate Development Specialist, indicated that responsive submittals were received from: Constructa U.S., Inc., Lincoln Metrocenter Partners L.P., and Madison Realty Partnership and Entertainment Group, a joint venture.

Ms. Ong noted her concern regarding the economic climate and suggested every effort be made to encourage the ADCO group and other interested developers to participate.

Mr. Helfeld indicated that the ADCO Group did not respond with the required financial statements and evidence of experience

required by the RFQ by the first deadline or the extended deadline. It does not seem fair to the other three firms that responded that have good financial background and experience to change the ground rules at this time.

At this time, 3:24 p.m., Ms. Bolanos and Mr. Kitahata left the meeting.

President Hom indicated that item (f) would be considered when Mr. Kitahata returns to the meeting and item (g) would now be taken up.

- (g) Robert Firehock, Deputy General Counsel, introduced item (g), which requests authorization of Personal Service Contracts on a joint venture basis with the law firms of Telles & Raifman and Steefel, Levitt & Weiss in a total amount not to exceed \$100,000 to provide legal services for the Federal Office Building Project located at 10th and Market Streets in San Francisco. The Mayor has designated the Agency as the lead agency to accomplish the acquisition and disposition of a site owned by the Bank of America for the proposed new Federal office building. Memoranda of Understanding have been recently executed by Mayor Jordan, the Bank of America, the General Services Administration (GSA) and the Agency's Executive Director outlining the transaction and committing to pursue it in good faith. The next step is detailed negotiations of the transaction and its legal documentation and, given its complexity, staff requires the assistance of expert outside counsel to assure that the City and Agency are adequately protected and that the transaction proceeds in an expeditious manner. The site is improved with several buildings and acquisition involves demolition of the buildings and relocation of commercial tenants, some of whom have a 12-month notice to vacate provision in their leases. The Bank requires a binding agreement signed prior to starting the 12-month notice period and that process needs to be dealt with immediately to avoid serious delay. Simultaneously, staff will need to negotiate a number of issues with GSA, including the extent of environmental warranties and representations with respect to hazardous substances, the allocation of risk in the event the transaction does not go forward and a release mechanism should GSA not construct the building. Staff has identified a joint venture team consisting of Telles & Raifman, a Minority Business Enterprise, and the firm of Steefel, Levitt & Weiss, an existing experienced Agency contractor, both with the skill and experience to provide valuable assistance in this transaction. The rates proposed by the firms are competitive with comparable legal services available in the City and there will be sufficient funds in the Federal Office Building Project budget amendment for these services.

At this time, 3:39 p.m., Ms. Bolanos and Mr. Kitahata returned to the meeting.

Mr. Firehock introduced Bob Telles of Telles & Raifman and Dianne Milner of Steefel Levitt & Weiss.

In response to an inquiry from President Hom, Mr. Firehock indicated that it is believed \$100,000 will be adequate to cover the required legal services, but, if not, then staff will return to the Commission and request additional funding.

At the request of Ms. Bolanos, Mr. Telles described the background and experience of the Telles & Raifman firm and its composition.

In response to an inquiry from Ms. Bolanos, Mr. Telles indicated that it is his understanding that Telles & Raifman will be in charge of the transaction and Steefel Levitt & Weiss would be used as a back-up and resource as needed.

Commissioners Bolanos and Ong commended staff for involving a minority law firm with a major project.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-92 BE ADOPTED.

President Hom indicated that item (f) would now be considered.

- (f) Commissioner Kitahata introduced item (f), which requests acceptance of Working Paper No. 1 for the Agency's Strategic Plan and authorize its public release. The first working of the strategic planning process essentially describes the Agency's status quo and provides history regarding how the Agency arrived at its current situation. Working Paper No. 1 describes the Agency's weaknesses, opportunities and threats, summarizes its recent financial history, projects current financial trends, describes project area activities, explains the legal framework in which the Agency operates, and considers the local government context of the Agency's activities. The strategic planning process has already moved ahead to the focus group activities and the consideration of alternative visions, however final approval of this working paper is needed to document the Agency's current situation and context.

Mr. Kitahata suggested a workshop be held on Working Paper No. 1 for people to respond, even though it is a background document and not the plan.

Commissioners Hom and Ong commended the Commissioners on the Steering Committee and others involved for their efforts.

President Hom indicated he believed it would be appropriate to hold a workshop on Working Paper No. 1 in the near future.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-92 BE ADOPTED.

President Hom indicated that item (h) would now be considered.

- (h) David Madway, Agency General Counsel, introduced item (h), which requests authorization to expend funds in an amount not to exceed

\$275,000 to pay outstanding bills for legal services provided by existing Agency contractors on existing matters and deeming the existing contracts amended to the extent of such payments in connection with All Redevelopment Project Areas. There has been no Commission action on legal services contracts since May 1992 pending revision of the Agency's purchasing policy with respect to M/WBE contracting efforts, which has extended to amendments to existing contracts for matters for which counsel were retained previously and the contract dollar limit in certain contracts has been reached. Since the next workshop on this matter has been postponed until at least February 1993, it is recommended that the current bills be paid so the calendar year can be closed without the Agency being delinquent in payment of its obligations.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-92 BE ADOPTED.

President Hom announced that there would be a recess in order for staff to determine whether Kent Sims of the Mayor's Office would be attending the meeting to hear item (i).

The meeting recessed at 3:45 p.m. and reconvened at 3:55 p.m. with the same roll call.

President Hom indicated that item (c) would now be considered.

- (c) Robert Firehock, Deputy General Counsel, introduced item (c), which requests ordering an action in Superior Court to foreclose the lien of delinquent Special Taxes on Parcel 3774-2 located at the northwest corner of First and Federal Streets, Community Facilities District No. 1 (South Beach) in Rincon Point-South Beach. The owner of the Parcel, 540 First Street Associates, has not paid its special tax installment which was due on February 1, 1992 and which became delinquent on April 10, 1992. The Special Tax owed, including penalties and interest to December 9, 1992 is \$10,961. Although the owner has indicated that it was entering into agreements with its tenants to raise funds to pay the special tax, the Agency is obligated to its bondholders to commence foreclosure action in Superior Court after a parcel owner's delinquency. Normally, such action would be commenced within 150 days of the missed tax payment. The 150th day from the April 10 delinquency was September 7, 1992, so the owner has already had a substantial time concession from the Agency. The Agency is obligated to order foreclosure under the terms of the bond resolution and to refuse to do so would be considered an intentional default under that bond resolution, with highly negative consequences on the Agency's credit status and reputation in the tax-exempt capital market. However, once a foreclosure is commenced, the Agency could enter into a workout agreement with the parcel owner which, if reasonable and adhered to, would give the Agency flexibility with respect to the foreclosure sale. All costs of the foreclosure action will be added to the tax due.

Sidney Hoover, General Manager, 540 First Street Associates, requested that the Agency not proceed with the foreclosure. He noted that at the time the Communities Facilities District was formed the voluntary participants were not informed of the large sums to be continually assessed at a future date, which are now over \$17,000 a year and are in addition to normal property taxes for the building. The assessment is a burden on the commercial tenants who share the taxes and is driving Edward Hunter, a minority tenant, into bankruptcy, resulting in loss of jobs. There is also concern that two other companies who chose not to participate in the District are using the improved streets and sidewalks. He requested that the Commission: direct staff to stop the foreclosure proceedings; grant a three year abstinence from the present assessment on the property in order for the tenants to recover from the economic depression they are experiencing; take immediate legal action to form a new Improvement District to overlay and remove the existing district and that every property owner be assessed equally according to their pro-rata share of property line dimensions; authorize the 540 First Street property to be reassessed to eliminate the Federal Street frontage because all that was done to improve that portion was to pave the sidewalk that should have been done by the City for health and safety reasons; and instruct the Executive Director to actively participate in the workings of staff to assure that similar actions which would result in unfair taxation are prohibited from being enacted in the future.

Edward Hunter noted that he had been in business twenty years at another location before moving to 540 First Street in July 1992 and, although he had agreed to pay one third of the taxes, he was not aware of the amount and that the taxes would be such an overwhelming burden.

In response to an inquiry from Mr. Bagot regarding structuring of the tax payments, Mr. Firehock noted that various formulas for the allocation of taxes were part of a negotiated process when the District was formed. All this information was provided to the owners and certain debt projections were made prior to the owners voting for the District showing the potential burden which individual parcels would incur for various scenarios. It is the Agency's view that the property owners had adequate disclosure from the Agency as to the tax burden they were voluntarily agreeing to and that to date the taxes are less than the maximum tax disclosed to the owners at the time the District was formed.

Mr. Kitahata indicated that it is normal for this kind of tax to be recorded as part of a real estate transaction. Any buyer ought to know it goes with the land and if there is a tax lien which is not paid then there could be foreclosure. If the legal obligation to the bondholders is not honored by proceeding with foreclosure then the Agency can forget issuing any bonds in the future. This not only applies to special assessment bonds, but also to tax allocation and general obligation bonds. Just because those involved are facing a hard time, the Commission

should not have the discretion to change the deal, which the current land owner was aware of when the land was purchased.

Mr. Stern indicated that the owner and tenants had no way of knowing there would be a recession and he would prefer this item be held over to provide an opportunity for staff to work with the owner to avoid foreclosure.

MOTION: IT WAS MOVED BY MR. STERN THAT FORECLOSURE PROCEEDINGS BE POSTPONED FOR FORTY-FIVE DAYS TO PERMIT TIME FOR STAFF TO WORK WITH THE OWNER TO ENDEAVOR TO AVOID FORECLOSURE.

President Hom noted that due lack of a second this motion failed.

Mr. Kitahata noted his opposition to the motion because there is a different legal context involved than with other discretionary actions and unless the timetable for foreclosure is followed, the Trustee can declare a default.

Following an extensive discussion between the Commissioners and staff, Mr. Firehock indicated that it was his understanding that the Commissioners are in favor of proceeding with foreclosure because of the obligation the Agency has to its bondholders, but it is the sense of the Commission that staff continue to negotiate with the owner regarding a possible work out of the repayment of the taxes. However, it was noted that some of the suggestions made by the owner are probably beyond the outer limits staff would recommend to the Commission and that the taxes need to be paid quickly.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-92 BE ADOPTED.

REPORT OF THE PRESIDENT

President Hom reported to the Commissioners regarding the following matters.

- (a) A meeting of Friends of Redevelopment was held on December 16.
- (b) The Commissioners will hold a retreat on January 5.
- (c) On January 19, the Commissioners will hold a joint reception with the City Planning and Port Commissions.
- (d) It is suggested an Agency meeting be held on December 29 to handle whatever business staff may have pending for Commission consideration and, in compliance with the By-Laws, hold an election for the offices of President and Vice President.

Mr. Kitahata indicated that he would be out of town on December 29 and he would like to respectfully note his preference for the election to be held in January, which would also be in accordance with the By-Laws.

Mr. Bagot noted he would be out of town from December 24 to January 5.

President Hom indicated that item (i) would now be considered.

- (i) Mr. Helfeld introduced item (i), which requests consideration of a request from Fillmore Market Place Associates for an additional Predevelopment Loan in an amount of \$116,314.50 in connection with the development of Parcel 732-B located on the west side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2. The Commission considered this request at the December 17, 1992 meeting, the purpose of which is to pay the fees for a second allocation of tax credits, however, no action was taken at that time. The Agency has made a previous predevelopment loan and has deferred loan payments for the project. The developer has borrowed funds from a lender to pay these fees and is asking the Agency to provide funds to repay the bank loan. In event the loan is made, staff recommends that the interest rate should be equivalent to the rate set on the bank loan, which is at the prime rate, plus 2.5 percent. The Mayor's Office has reviewed this request and is recommending approval of the additional loan.

Ms. Ong inquired whether staff has changed its original recommendation and Mr. Helfeld indicated that it has in the sense that it is understood the Commission now wishes to make the loan.

Ms. Ong noted for the record that she has no information that it is a Commission recommendation this matter be calendared again. This is an agenda item that has come back before the Commission at the request of the Mayor's Office and it was her understanding that a representative from the Mayor's Office would be present at this meeting to make a presentation.

Mr. Helfeld indicated that he had contacted Kent Sims of the Mayor's Office who had indicated he would be at the meeting as soon as possible.

Ms. Ong noted she had been contacted by Mr. Sims who indicated the Mayor's Office had changed its recommendation and is now supportive of this loan because this is a for-profit development which will generate tax increment and provide much needed low income rental housing. It was also represented by the Mayor's Office that there would be no more requests to accommodate this developer in the future. Ms. Ong noted she had been provided with a detailed history of the project by Mr. King and on the basis of the Mayor's concern in promoting low income housing she would be willing to change her vote and concur with the loan request.

Mr. Kitahata indicated that he also had been contacted by the Mayor's Office and had reluctantly agreed to change his vote on condition this indeed is the last change to the business deal and on the assumption that all past due payments will be repaid at the close of the construction loan, which includes no further

predevelopment loans, land write downs or change in payment schedule of monies due the Agency. He requested verification by the Developer that his understanding is correct.

Morris Phillips, Fillmore Market Place Associates, confirmed that Mr. Kitahata's understanding on all issues is correct and it is not anticipated any further requests will be made to the Agency for funding. He noted that there had not been a request for a land write down but there had been a suggestion of a deferral of payment requested by a syndicate group that wanted to buy the tax credits, however, there was never a formal request because they did not proceed with the purchase.

Ms. Bolanos noted for the record that she too was provided with a statement indicating the Mayor's Office had changed its position and she would like to reiterate the comments made by Commissioners Ong and Kitahata that it is understood this will be the last change to the business deal for this project which will generate tax monies and provide very affordable housing for that community.

In response to an inquiry from Mr. Stern, Mr. Phillips indicated construction is expected to start in 30 to 45 days and be completed within eighteen months, including rent-up.

President Hom indicated that it is very clear that the recommendation is from the Mayor's Office and that the Developer will not request further funding from the Agency in any shape or form.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-92 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On January 6, 1993 at 11:00 a.m., there will be a grand opening celebration for Steamboat Point (formerly Site K) in Rincon Point-South Beach, which is 108 units of affordable rental family housing to families at 60 percent of the area median income or less. All the units are leased.
- (b) The Agency's Offices will be closed on December 25, 1992 and January 1, 1993. December 22, 1992 will be the last meeting of the year. No regular meeting will be held on December 29, 1992. On January 5, there is a retreat planned for the Commission. The next regular meeting will be on January 12, 1993.

In response to an inquiry from President Hom, Mr. Helfeld indicated that he had understood there was a negative Commission reaction to a meeting being held on December 29.

Minutes of a Regular Meeting, December 22, 1992

President Hom indicated that Mr. Kitahata had indicated he would prefer to postpone the election of officers to January because he could not attend a meeting on December 29, however, it is still planned to hold a meeting on that date.

Ms. Bolanos indicated that she supports Mr. Kitahata in this matter and would like to discuss it further with Commissioners Hom and Kitahata.

President Hom indicated he would be pleased to provide Ms. Bolanos with an opportunity for discussion.

Mr. Helfeld indicated that if it is the instructions of the Commission, staff would send out a tentative agenda for a December 29, 1992 meeting.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos requested a workshop on the Legal Services Policy Statement be calendared for either the January 12 or 19, 1993 meetings.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Roberto Barragan, Executive Director, Mission Economic Development Association (MEDA), noted that a letter dated December 14, 1992 had been received from the Agency reminding MEDA that the \$40,000 for entryways on 24th Street are subject to Commission approval of the design and selection of the architect. He indicated that the 24th Street Revitalization Committee issued a Request for Proposals (RFP) that was before staff approximately two months ago and widely distributed and advertised. Four responses from local San Francisco architects were received to the RFP which was specifically to design and provide working drawings and construction management of those entryways. No actual design was required in the RFP but examples of previous work were part of the responses. The architects were interviewed by a Committee, consisting of representatives of the Mission Economic and Cultural Association and MEDA, and Eduardo Martinez was recommended to the 24th Street Revitalization Committee and to the Physical Improvements Sub-Committee.

Mr. Barragan indicated that it is anticipated there will be a recommendation on the design in February 1993. It is hoped to have permits and approvals by May 5 in order to begin construction immediately, followed by a ribbon cutting ceremony for the first entryway by September 16.

Ms. Bolanos noted that she had raised the issue of Commission approval of the design and architect because it is important to follow a particular procedure and be very clear about the process, so there is no misunderstanding.

Minutes of a Regular Meeting, December 22, 1992

Mr. Martinez described his previous experience and noted his desire to work closely with the community.

President Hom thanked Mr. Barragan for the progress report.

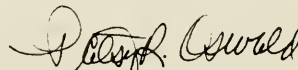
President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2 and the entity the Agency may negotiate with is BER-VEP Development Co., Soco Ltd. and Urban Homes, Inc.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 4:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 26, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF DECEMBER, 1992

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of December, 1992, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King
Clarence R. Stern

and the following were absent:

Buck Bagot
Gary Kitahata

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present was: Mike Mahoney, San Francisco Police Department.

NEW BUSINESS

(a) ELECTION OF OFFICERS

The Agency's By-Laws indicate that there shall be an Election of Officers (President and Vice President) at the last regular or special meeting in December. However, in the event such officers are not elected in December, their election shall be held at any meeting of the Agency, regular or special, held during the following months of January or February. Until an election is held, an interim President and Vice President may be elected to office until the regular election in January or February.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT MR. HOM BE ELECTED PRESIDENT.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT MS. ONG BE ELECTED VICE PRESIDENT.

President Hom thanked the Commissioners for their confidence in him and indicated he would like to suggest some priorities for the coming year: first, for the Commission to reach out to the new communities the Agency is working with beginning with a community meeting in Chinatown to indicate the Agency's

commitment to that community and shortly thereafter a similar meeting in the 24th Street area; second, there is a need to complete and get into construction on many developments in existing project areas; third, there are two projects that must be advanced for the economic health of the City, namely, the GAP and the General Services Administration (GSA) building. There is also a need to obtain agreement with the Navy for the Hunters Point Shipyard because, long range, this is most important for that neighborhood and the entire City; fourth, completion of the Agency's Strategic Plan is important in order to provide broader assistance in housing and economic development for the City.

Ms. Ong noted her concurrence with President Hom's comments and thanked the Commissioners for re-electing her Vice President. She indicated that this Commission of seven different people from different backgrounds had come a long way in the three months they had been together. There is considerable talent in the Agency and she looked forward to working closely with the Commission and staff.

REPORT OF THE EXECUTIVE DIRECTOR

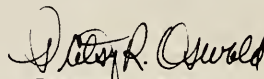
Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On December 28 a negotiating session was held with the Mexican Museum and language mutually agreed upon with be brought before the Commission in January 1993.
- (b) On December 29 the City held a meeting to try to reach an agreement on the GAP park land issue.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 26, 1993

